
State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Filing at a Glance

Company:	BCBSVT
Product Name:	2022 BCBSVT AHP Rating Program Filing
State:	VermontGMCB
TOI:	ML02 Multi-Line - Other
Sub-TOI:	ML02.000 Multi-Line - Other
Filing Type:	GMCB Trend / Admin Charge
Date Submitted:	03/11/2021
SERFF Tr Num:	BCVT-132760913
SERFF Status:	Closed-Approved
State Tr Num:	
State Status:	
Co Tr Num:	
Effective	
Date Requested:	
Author(s):	Jude Daye, Martine Brisson-Lemieux, Andrew Proulx, Matthew Goodrich
Reviewer(s):	Thomas Crompton (primary), Jacqueline Lee, David Dillon, Christina McLaughlin, Michael Barber, Laura Beliveau
Disposition Date:	06/01/2021
Disposition Status:	Approved
Effective Date:	01/01/2022
State Filing Description:	

State: VermontGMCB **Filing Company:** BCBSVT
TOI/Sub-TOI: ML02 Multi-Line - Other/ML02.000 Multi-Line - Other
Product Name: 2022 BCBSVT AHP Rating Program Filing
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Group Market Type: Association Overall Rate Impact: -1.3%
Filing Status Changed: 06/03/2021
State Status Changed: Deemer Date:
Created By: Jude Daye Submitted By: Jude Daye
Corresponding Filing Tracking Number:

Filing Description:
March 11, 2021

Thomas Crompton
Health Systems Finance Associate Director
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602

Subject:Blue Cross and Blue Shield of Vermont - NAIC # 53295
2022 Association Health Plan Rating Program Filing

Dear Mr. Crompton:

Attached for the Green Mountain Care Board's review and approval is Blue Cross and Blue Shield of Vermont's 2022 Association Health Plan Rating Program Filing. As directed by the Board, this filing combines the various factor filings for association health plan rating components (trend, large claims, benefit relativity, administrative fees and contribution to reserve, and the formula itself) into a single filing.

Please let me know if we can answer any questions or provide further information during your review.

Sincerely,

Ruth Greene

cc:Paul Schultz/BCBSVT
Martine Lemieux/BCBSVT

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant dayej@bcbsvt.com

SERFF Tracking #: BCVT-132760913**State Tracking #:****Company Tracking #:**

State: VermontGMCB**Filing Company:** BCBSVT**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other**Product Name:** 2022 BCBSVT AHP Rating Program Filing**Project Name/Number:** /

445 Industrial Lane

802-371-3244 [Phone]

Montpelier, VT 05601

Filing Company Information

BCBSVT

CoCode: 53295

State of Domicile: Vermont

PO BOX 186

Group Code:

Company Type: Hospital

Montpelier, VT 05601

Group Name:

Service Corp

(802) 371-3450 ext. [Phone]

FEIN Number: 03-0277307

State ID Number:

State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Filing Fees

State Fees

Fee Required?	Yes
Fee Amount:	\$150.00
Retaliatory?	No
Fee Explanation:	

SERFF Tracking #:	BCVT-132760913	State Tracking #:	Company Tracking #:
State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Thomas Crompton	06/03/2021	06/03/2021

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	04/12/2021	04/12/2021
Pending Response	Jacqueline Lee	03/30/2021	03/30/2021

Response Letters

Responded By	Created On	Date Submitted
Martine Brisson-Lemieux	04/21/2021	04/21/2021
Matthew Goodrich	03/31/2021	03/31/2021

SERFF Tracking #:	BCVT-132760913	State Tracking #:	Company Tracking #:
State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Disposition

Disposition Date: 06/01/2021

Effective Date: 01/01/2022

Status: Approved

Comment: This filing has been approved per GMCB Order (Docket Number GMCB-004-21rr).

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Memorandum		No
Supporting Document	Civil Union Rating Requirements		No
Supporting Document	Filing Compliance Certification		No
Supporting Document	Third Party Filing Authorization		No
Supporting Document	Cover Letter		No
Supporting Document	F106 Form		No
Supporting Document	Plain Language Summary		No
Supporting Document	Attachment A		No
Supporting Document	Attachment B		No
Supporting Document	Exhibits		No
Supporting Document	Response to 2022 AHP Rating Program Inquiry Letter 1		No
Supporting Document	Response to 2022 AHP Rating Program Inquiry Letter 2		No

State: VermontGMCB **Filing Company:** BCBSVT
TOI/Sub-TOI: ML02 Multi-Line - Other/ML02.000 Multi-Line - Other
Product Name: 2022 BCBSVT AHP Rating Program Filing
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	04/12/2021
Submitted Date	04/12/2021
Respond By Date	04/21/2021

Dear Jude Daye,

Introduction:

Please see the attached letter.

Conclusion:

Sincerely,

Jacqueline Lee



April 12, 2021

Jude Daye, Executive Assistant
Blue Cross and Blue Shield of Vermont
445 Industrial Lane
Montpelier, VT 05601

Re: Blue Cross and Blue Shield of Vermont
2022 AHP Rating Program Filing
SERFF Tracking #: BCVT-132760913

Dear Jude Daye:

Thank you for your previous responses. We request the following information on behalf of the Office of the Health Care Advocate.

Questions:

1. The following questions relate to BCBSVT's risk-based capital (RBC) position, BCBSVT's requested contribution to reserve (CTR), and the statements made in Attachment A (Ruthe Greene Letter) supporting BCBSVT's CTR request in the present matter. These questions are based on the information that BCBSVT reported in its 2020 Annual Statement.
 - a. From 2019 to 2020, BCBSVT's "aggregate health policy reserves, including the liability of \$. for medical loss ratio rebate per the Public Health Service Act" increased by \$31,171,463 (150.8%). Please describe the reason(s) for this increase.
 - b. From 2019 to 2020, BCBSVT's "general expenses due or incurred" increased by \$12,051,661 (29.9%). It appears that one driver was an increase of \$33,382,973 in BCBSVT's "accrued postretirement benefit obligation." Is it correct that this increase in the "accrued postretirement benefit obligation" impacted the numerator used in the RBC calculation in a way that reduces BCBSVT's RBC number?
 - c. From 2019 to 2020, BCBSVT's "general administrative expenses" increased by \$7,831,114 (33.7%). Is it correct that one driver of this growth was an increase of \$9,630,603 (469.3%) in BCBSVT's "regulatory authority licenses or fees?" Please describe the source of the increase in the "regulatory authority licenses or fees" line item.

- d. From 2019 to 2020, BCBSVT reported a reduction of \$2,731,567 (46.3%) in “net investment gains.” Is it correct that this is not due to poor investment performance in 2020 but rather the fact that BCBSVT’s did not realize investment gains experienced in 2020? If so, please explain the reason(s) for not realizing investment gains in 2020 and how you incorporated this dynamic into your assessment of your need for additional reserves. If this is not true, please explain the drivers of the experienced reduction in reported “net investment gain.”
2. In last year’s Association Health Plan (AHP) filing (GMCB0-004-20rr), BCBSVT estimated that approximately 50% of its administrative costs were fixed. In its current filing, BCBSVT estimates that approximately 70% of administrative costs are fixed.
 - a. Is the above-detailed increase in BCBSVT’s estimated percent of administrative costs that are fixed driven solely by enterprise-level enrollment changes? Are there other drivers of the estimated change in fixed versus variable administrative costs?
 - b. In its actuarial memorandum, BCBSVT notes a correlation between the enterprise total number of covered lives and the percent of administrative costs that are fixed versus variable. Please describe the extent of this correlation. For example, the correlation might be that, on average, a 1% decrease in covered lives is correlated with a 10% increase in the percentage of total administrative costs that are fixed. Also, what is the approximate lag between enrollment changes and BCBSVT’s ability to “right size” its workforce?

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible to every objection in our letter, but no later than April 21, 2021. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

Kevin Ruggeberg, FSA, MAAA
 Vice President and Consulting Actuary
 Lewis & Ellis, Inc.
 kruggeberg@lewisellis.com
 (972)850-0850

State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/30/2021
Submitted Date	03/30/2021
Respond By Date	04/05/2021

Dear Jude Daye,

Introduction:

Please see the attached letter.

Conclusion:

Sincerely,

Jacqueline Lee



March 30, 2021

Jude Daye, Executive Assistant
Blue Cross and Blue Shield of Vermont
445 Industrial Lane
Montpelier, VT 05601

Re: Blue Cross and Blue Shield of Vermont
2022 AHP Rating Program Filing
SERFF Tracking #: BCVT-132760913

Dear Jude Daye:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filing submitted on 3/11/2021. The following additional information is required for this filing.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. Provide a revised “Impact of Formula and Factor Changes” table and “Administrative Charges – Reasons for Required Increase” table as contained in the memorandum reflecting any corrections to the administrative charge, as applicable.
2. Please clarify if there is currently a Pathway 1 AHP in force, or if the members projected to be affected are for a new AHP to be formed in 2021.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible to every objection in our letter, but

no later than April 5, 2021. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

Kevin Ruggeberg, FSA, MAAA
Vice President and Consulting Actuary
Lewis & Ellis, Inc.
kruggeberg@lewisellis.com
(972)850-0850

SERFF Tracking #:	BCVT-132760913	State Tracking #:	Company Tracking #:
State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/21/2021
Submitted Date	04/21/2021

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please find attached our responses to the 2022 BCBSVT Association Health Plan Rating Program Filing Inquiries dated April 12, 2021

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to 2022 AHP Rating Program Inquiry Letter 2
Comments:	
Attachment(s):	Responses to 2022 AHP Rating Program Inquiry Letter 2.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Martine Brisson-Lemieux

SERFF Tracking #:	BCVT-132760913	State Tracking #:	Company Tracking #:
State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/31/2021
Submitted Date	03/31/2021

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please find attached our responses to the 2022 BCBSVT Association Health Plan Rating Program Filing Inquiries dated March 30, 2021

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to 2022 AHP Rating Program Inquiry Letter 1
Comments:	
Attachment(s):	Responses to 2022 AHP Rating Program Inquiry Letter 1.pdf 2022 AHP Filing - Revised Exhibit 5A.xlsx

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Matthew Goodrich

SERFF Tracking #:	BCVT-132760913	State Tracking #:	Company Tracking #:
State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	2022 BCBSVT AHP Rating Program Filing - Actuarial Memorandum.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Civil Union Rating Requirements
Bypass Reason:	Not required.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	2022 BCBSVT AHP Rating Program Filing - Rate Filing Certification.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	BCBSVT does not use a Third Party to submit filings.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Cover Letter
Comments:	
Attachment(s):	2022 BCBSVT AHP Rating Program Filing - Cover Letter.pdf
Item Status:	
Status Date:	

Satisfied - Item:	F106 Form
Comments:	
Attachment(s):	2022 BCBSVT AHP Rating Program Filing - F106 Form.pdf
Item Status:	
Status Date:	

State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Satisfied - Item:	Plain Language Summary
Comments:	
Attachment(s):	2022 BCBSVT AHP Rating Program Filing - Plain Language Summary.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Attachment A
Comments:	
Attachment(s):	2022 BCBSVT AHP Rating Program Filing - Attachment A.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Attachment B
Comments:	
Attachment(s):	2022 BCBSVT AHP Rating Program Filing - Attachment B.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Exhibits
Comments:	
Attachment(s):	2022 BCBSVT AHP Rating Program Filing - Exhibits.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to 2022 AHP Rating Program Inquiry Letter 1
Comments:	
Attachment(s):	Responses to 2022 AHP Rating Program Inquiry Letter 1.pdf 2022 AHP Filing - Revised Exhibit 5A.xlsx
Item Status:	
Status Date:	

Satisfied - Item:	Response to 2022 AHP Rating Program Inquiry Letter 2
Comments:	
Attachment(s):	Responses to 2022 AHP Rating Program Inquiry Letter 2.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	BCVT-132760913	State Tracking #:	Company Tracking #:
State:	VermontGMCB	Filing Company:	BCBSVT
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2022 BCBSVT AHP Rating Program Filing		
Project Name/Number:	/		

Attachment 2022 AHP Filing - Revised Exhibit 5A.xlsx is not a PDF document and cannot be reproduced here.

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

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Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

1. Purpose

Blue Cross and Blue Shield of Vermont (BCBSVT) performs association health plan (AHP) rating on a case-by-case basis. We accomplish rating through a formulaic approach that blends recent AHP experience with a manual rate according to a credibility formula. We may adjust formula results for underwriting judgment and/or management decisions. This filing establishes the formula, manual rate, and accompanying factors that we will use to rate Pathway 1 AHPs beginning upon approval of this filing. The formula and factors in this filing apply to Pathway 1 AHPs only.

Once approved, we will use this filing for insured AHPs until superseded by a subsequent filing. In the event that we require factors with effective dates or experience periods beyond those explicitly presented in this filing, we will calculate appropriate factors using the same base data and methodology used in this filing. This filing will apply beginning with rates communicated within seven business days after the date of its approval and continuing until at most seven business days after the date of approval of the next BCBSVT AHP filing. The term “communicated,” for this purpose, means a written proposal delivered to an association health plan account.

2. Overview and Rate Impact

2.1. Overview

This filing includes a description of the rating formula and the development of each of the factors used in it. BCBSVT projects that this filing will affect 1,592 members (1,065 subscribers) in one AHP.

We will describe in detail the formula and factors applicable to all insured association health plans. The factors in the build-up of the projected claims cost include the trend factors, benefit relativities, manual rate, and large claims factors. In addition to the projected claims cost, we will explain the calculation of administrative charges, the net cost of reinsurance, contribution to reserve, and state and federal assessments, all of which are included in the rate development.

2.2. Historical Financial Results

BCBSVT does not have any historical financial results for this line of business. In 2019, BCBSVT had two AHPs, neither of which was a Pathway 1 AHP. The financial results of those AHPs are not relevant to this filing.

2.3. Impact of Formula and Factor Changes

To compute the impact of changes to the rating formula and the various factors in this filing on AHP premium rates, we use the concept of a “pure manual premium,” which is the premium that can be developed for the manual rate base using none of their own experience data. Two renewals are developed for the manual rate base: the first renewal applies the approved factors currently in force (BCVT-132360219) with an effective date of January 1, 2021. The second renewal uses the factors and formulas detailed in this filing with a January 1, 2022 effective date. By nature of the differing effective dates, the latter renewal includes an additional year of health care cost trend.

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

Impact of Formula and Factor Changes				
Renewal and Filing Year	2021	2022	Component Increase	Premium Impact
Manual Claims (a)	\$102,052,473	\$102,338,374	0.3%	0.3%
Projected Rebates	(\$3,968,654)	(\$6,154,397)	55.1%	-2.0%
Pediatric Vision and Dental	\$0	\$363,283		0.3%
Admin	\$7,868,974	\$9,019,788	14.6%	1.0%
Reserve	\$1,651,664	\$1,646,402	-0.3%	0.0%
Mandates and Assessments	\$2,086,746	\$2,136,660	2.4%	0.0%
Additional Items (b)	\$419,729	\$409,998	-2.3%	0.0%
Total				-0.3%

(a) The manual claims increase is greater than the change in the manual rate due to the change in the membership underlying the manual rate. We normalize the demographic factors and industry factors to the membership in each respective filing. The demographic basis of the 2022 manual rate is lower than that underlying the 2021 manual rate, which results in the increase in the manual claims being higher than the manual rate increase we detail in Section 6.1.

(b) Additional Items include net cost of reinsurance and the OneCare Coordination Fee.

The above approach has been used to generate a proxy increase for a hypothetical AHP that is renewing with zero experience credibility, exactly average demographics and industry, and no underwriting judgment or management discretion applied to the proposed or in-force rates. The actual rate increase experienced by any specific AHP will be based on the AHP's own circumstances, including its claims data, demographic makeup, large claims experience, and so forth.

This total impact of formula and factor changes should not be interpreted as the new formula resulting in a 0.3 percent premium decrease for any specific AHP.

3. Formula Description

We develop rates for active and Medicare Primary subscribers separately based on their own experience. Both the formula and factors described in this filing are the same for both populations except where noted.

Benefit-Adjusted Projected Single Claims Rate

Exhibit 1A contains a sample calculation of the benefit-adjusted single claims rate. Page 1 of the exhibit applies to active members and page 2 applies to Medicare Primary members. For each case, we start the rating with a twelve-month experience period with at least two months of runout¹. We develop the experience rate for medical and pharmacy claims separately. We determine a pooling point based on the size of the case at the end of the runout period and split the experience period claims (line A) into

¹ For first year renewals where twelve months of experience is not available, we typically use claims incurred in nine months with no runout.

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

amounts above (line B) and below (referred to as capped claims, line D) the pooling point. We exclude COVID-19 related claims (line C) from the development. Exhibit 6D contains a list of excluded diagnosis and procedure codes, which we will update as new information becomes available. Section 6.7 provides further details on the exclusion of COVID-19 related claims.

We apply completion factors (line E) developed from the monthly financial reporting process (best estimates before margin) to capped claims to produce completed capped claims (line F). We use the formula and factors described in Milliman's 2020 *Health Cost Guidelines – Reinsurance* to calculate expected claims above the pooling limit (line G). We add the expected claims above the pooling limit to the completed capped claims to produce large-claim-adjusted experience period claims. Medicare Primary members generally do not have claims near the pooling point, so we do not pool their claims.

We then multiply the large-claim-adjusted experience claims by an adjustment factor (line H) to reflect structural changes between the experience period and the rating period. This adjustment modifies the experience to reflect such things as mandated benefit changes, contractual provision changes, etc., that, in the judgment of the underwriter, are necessary to make the experience appropriate for the estimation of the expected claims in the rating period.

As part of the experience adjustment factor, we include an adjustment that accounts for the return of medical claims deferred in the spring of 2020 by the COVID-19 pandemic. Exhibit 6E provides the factors which are applicable to medical claims. The factors represent the degree to which claims were less than or greater than their expected level, such that a factor greater than one indicates that claims were higher than expected due to the return of deferred care. We apply the inverse of the factors on a monthly basis to calculate a single multiplicative factor that is applicable to each experience period that is comprised of months affected by the slowdown or deferral of claims. We develop the factors based on modeling presented to the Department of Financial Regulation in December 2020. Given the factors deviate significantly from one in March, April, and May of 2020, the underwriter will typically construct a 12-month medical period using non-consecutive months so that the experience period provides a reliable base for projecting claims for the rating. In this typical approach, the impact of the adjustment factors will have a dampening impact on claims.

We divide the result (line I) by the number of member months during the experience period (line J) to produce the adjusted experience period claims per member per month (line K).

We then divide the adjusted experience period claims per member per month (PMPM) by a seasonally-adjusted benefit relativity value to neutralize any effect of seasonality and benefits on the paid claims. To determine this factor, we first determine a benefit relativity factor for each benefit plan (using the factors described in section 5) and contract tier type (single, 2-person, family, etc.). Based on the seasonal patterns observed as part of the reserving process for each calendar month, we determine seasonal factors for CDHPs and for non-CDHPs and normalize them so that they total to 12. We combine these factors to calculate seasonal benefit relativity factors for each combination of benefit plan, contract tier type, and month. We apply these factors to the number of contracts for each benefit plan, contract tier type, and month in the experience period. We total the results and divide the resultant sum by the number of member months in the experience period. We apply the seasonal factors regardless of the length of experience period, but if there is a 12-month experience period and there are no changes in benefits or enrollment, the normalization of the seasonality factors would cause the seasonal

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

adjustment to be 1.000. This produces the average experience period seasonally-adjusted benefit relativity factor (line L).

We adjust for any change in the demographics of the AHP between the experience period and the rating period by calculating the average demographic factor for each period and applying the ratio of projection to experience (line M). We multiply the adjusted experience period claims PMPM (line K) by the demographic normalization factor and divide by the average experience period seasonally-adjusted benefit relativity factor (line L) to produce the benefit-adjusted experience period single claims rate (line N), which is the expected cost for a single contract in the experience, neutral of benefit and seasonality. We then multiply this by a trend factor (line Q, as calculated in section 4) to project the claims from the experience period to the rating period.

We blend the projected single contract rate (line R) with the adjusted manual rate (line S, as described in section 6.1) using the credibility formula described below.

We calculate the credibility factor (line T) as follows:

$$Credibility = \sqrt{\frac{Member\ Months}{Upper\ Bound}}$$

The pooling point determines the upper bound. We base the pooling limit on the AHP's membership in the current month. Please see the abbreviated table below for details. The underwriter may apply discretion in the event the current month's membership is not appropriate for determining a pooling limit (e.g. a significant change in enrollment due to an acquisition or layoff).

Membership (Current Months)	Pooling Point	Upper Bound Member Months
Medicare Primary		8,325
0 to 299	\$70,000	14,002
300 to 499	\$90,000	16,127
500 to 999	\$110,000	17,923

If member months are greater than the upper bound, the credibility factor will be 1. Exhibit 6A provides a complete list of upper bound member months by pooling point, while Exhibit 6B details pooling points by current month membership.

To blend the projected single contract rate with the adjusted manual rate, we use the following equation:

$$Benefit-Adjusted\ Projected\ Single\ Claims\ Rate = Projected\ Single\ Contract\ Rate \times (Credibility) + Adjusted\ Manual\ Rate \times (1 - Credibility)$$

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Multiple Experience Periods

BCBSVT uses multiple experience periods (when available) to develop the benefit-adjusted projected single claims rate. Following the methodology described above, we calculate an experience rate for the first and second year preceding the experience period. We then apply the credibility formula recursively to the residual portion of the rate. The table below provides a demonstration of the application of the credibility formula for an AHP with 50 percent credibility in each experience year.

Experience Period	Proportion of Rate
YE 202106	50.0%
YE 202006	25.0%
YE 201906	12.5%
Manual Rate	12.5%

Three years of experience is the maximum that we will use. In the absence of extenuating circumstances, all renewals will use the maximum number of years available. In the event we do not consider historical experience appropriate or reliable for rating periods (e.g. a significant change in enrollment due to an acquisition or layoff), the underwriter will use fewer years of experience and document the rationale for such a change.

Exhibit 1B provides a detailed sample calculation of the benefit-adjusted projected single claims rate using three years of experience.

We trend prior experience periods to the most current experience period using observed trends and apply the trend factors in section 4 to trend from the most current experience period to the rating period. Exhibit 2G contains the trend factors applicable to prior periods. For months following our trend base (that is, after February 2020 for medical claims and August 2020 for pharmacy claims), the observed trend is set to the trend factors in section 4. There are separate observed trend factors for active medical, Medicare Primary medical, and pharmacy.

To develop the observed medical trend factors, we calculate the year-over-year utilization trend in the year ended February for each year in the trend experience base. We apply actual cost increases to calculate the total observed medical trend. The observed pharmacy trend is the allowed claims trend of the trend experience base described in section 4. Historical trend factors for Medicare Primary medical claims are the approved trends for prior periods from the 2021 TVHP Medigap Blue Rate Filing (SERFF# BCVT-132559586).

If the credibility of the first year of experience is in excess of 66.67%, the underwriter shall develop rates using a 3-2-1 blend of experience periods and not utilize the manual rate.

Required premium by Plan, Tier Type

Exhibit 1C provides a sample calculation of premium. For each plan and contract tier type anticipated in the rating period, we calculate projected claims (line B1) as the product of the benefit-adjusted projected single claims rate (S) and the benefit relativity factor (as described in section 5) for the plan

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and contract tier (line A). For any premium components that are exclusively applicable to either active or Medicare Primary members, we only include the component in the respective rate tier(s) to which it applies.

We use the members per contract tier during the last month of the runout period as the basis for the projected members per tier in the rating period. The underwriter will adjust this ratio if, in their opinion, the result is not representative of the expected values in the rating period.²

Underwriting Judgment Adjustments

If, in the underwriter's professional judgment, the standard formula would not produce appropriate rates for the case being rated, the underwriter will make such modifications as needed to produce appropriate rates. The underwriter will document in the case file the reason(s) for the adjustment(s) and the method of determining the appropriate adjustment(s).

Management Discretionary Adjustments

For marketing or other reasons, management may decide to modify the rates on a specific case or block of cases. The underwriter will document in the case file the adjustment(s) made, along with a description of the nature of the adjustment(s).

4. Trend Factors

The source of data for trend development is BCBSVT's data warehouse, except where noted below. To ensure the accuracy of claims information, we reconcile the data used against internal reserving, enrollment, and other financial reports. The data includes claims from BCBSVT Cost Plus groups, BCBSVT ASO groups of under 1,001 members, BCBSVT insured large groups, BCBSVT insured small groups with more than 10 members, BCBSVT insured association health plans with more than 10 members, and TVHP insured large groups. The data also excludes insured large groups with much higher costs than average that have left BCBSVT in 2020. The above lines of business cover substantially similar populations under similar benefit packages. Combining these homogeneous populations creates greater consistency and credibility within the trend factor development.

We exclude large ASO groups and ASO groups with special pricing arrangements. BCBSVT recently experienced large membership movement out of the small group market. Due to significant changes in membership, we exclude all membership from small groups that were not continuously with BCBSVT throughout the trend experience period. We exclude claims from Medicare Primary members. Medicare Primary trend is discussed in section 4.5. We exclude compounds from the pharmacy trend development.

The COVID-19 pandemic significantly impacted medical claims, with non-urgent services being cancelled or postponed from March 2020 through May 2020, due to the stay at home order and facilities and providers preparing for a potential surge in COVID cases. Retail pharmacy claims were not impacted, other than by an acceleration in refills in March. For medical trend analysis, we use claims incurred from

² E.g., the number of contracts in a particular tier may be small (or even 0). In such instances, the underwriter should use appropriate values based on total block of business or other appropriate sources.

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March 1, 2016 to February 29, 2020, paid through September 30, 2020. For retail pharmacy trend analysis, we use claims incurred from March 1, 2016 to August 31, 2020, paid through September 30, 2020. We apply completion factors to estimate the ultimate incurred claims for each period shown in the exhibits.

4.1. Medical Trend Development

Medical trend is composed of three pieces: cost, utilization, and intensity. In our analysis, we combine utilization and intensity within the utilization metric and analyze the unit cost separately. For fee-for-service claims, we combine plan payment with member cost sharing to calculate the allowed charges. For claims under a capitation arrangement, we combine a fee-for-service equivalent amount with the member cost sharing to calculate allowed charges.

4.1.1. Unit Cost

Observations of recent contracting and provider budgetary changes are the main source of unit cost trends. During the year ended February 2020, roughly 51 percent of total claims dollars were provided by Vermont facilities and providers directly affected by the hospital budget review process of the Green Mountain Care Board (GMCB). For hospitals under the jurisdiction of GMCB review, we start with the assumption that the GMCB will approve hospital budgets for October 1, 2021 and October 1, 2022 that support identical commercial increases as those approved for October 1, 2019. Many Vermont hospital received higher than historical budget increases in the 2020 cycle. We expect that the 2021 and 2022 cycles will return to 2019 cycle levels. In the previous filing, we included an increase to cost trend of 2.1 percent to account for expense overage reported by the hospitals. This was denied by the GMCB in their order but when the final budgets for 2020 were approved by the GMCB, the average rate increase was 2.4 percent higher than the previous year³. For the 2021 budget cycle, BCBSVT cannot estimate the impact of expense overages due to the reporting waivers in light of COVID. While there remains uncertainty around the final overall cost to the system of this pandemic, both due to lower revenue and higher expenses, we decide to view the 2020 cycle as a rebasing year and look to the GMCB to ensure that future hospital budget increase revert back to historical levels. In the event that BCBSVT is made aware of future budget increase that would diverge from this assumption, BCBSVT will file an interim trend filing to best align the cost trend used in pricing with expected cost trend.

We assume for other providers within the BCBSVT service area that overall 2021 and 2022 budget increases will be identical to those implemented during calendar year 2020, since their 2020 increases were aligned with historical increases

The provider contracting and actuarial departments worked together to assess the impact these increases would have on contracts for BCBSVT Managed Care and BCBSVT Non-Managed Care. For marketing reasons, provider contracting negotiates different unit cost increases for each of the two contracts. To reflect these differences, we calculate a cost trends for each contract. Finally, we derive unit cost increases for providers outside the BCBSVT service area from the Fall 2020 Blue Trend Survey, which is a proprietary and confidential dissemination of the BlueCross BlueShield Association.

3

<https://gmcboard.vermont.gov/sites/gmcb/files/documents/B21%20Approved%20Budget%20Submissions%20with%20NPR%20graph%20as%20of%20Oct%201st.pdf>

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Exhibit 2A shows the details of the cost increases by contract and type of claim.

We use the expected increases to trend the contract-normalized claims to the projection period. The unit cost trend is the ratio of claims for the year ending December 2022 to claims for the year ending June 2020, converted to an annual factor.

The chart below summarizes the results of the analysis:

Medical Unit Cost Trend		
	BCBSVT Managed Care	BCBSVT Non- Managed Care
Vermont facilities and providers impacted by GMCB's Hospital Budget Review	4.7%	4.7%
Other facilities and providers	3.7%	3.8%
Total	4.2%	4.3%

4.1.2. Utilization & Intensity

To examine historical utilization trend patterns, we first normalize claims for unit cost increases. We measure contract changes for the entirety of the experience period explicitly for each facility within our service area as well as the three largest physician groups. We normalize claims to the February 2020 contract at each unique provider by applying a factor equal to the product of the impact of each contracting change from the experience month through February 2020. We assume that the derived trend for other claims increases monthly on a continuous basis.

We measure increases for fee schedules and other chargemasters by applying each schedule to a market basket of services. The market basket is defined by using Current Procedural Terminology (CPT) codes and CPT modifier combinations that are present in each of the effective periods the schedules covered. Using the same experience period data used throughout the trend analysis, we compare total allowed costs for the selected CPT and CPT modifier combinations under each schedule to estimate the percentage increase. For contracts under Diagnosis Related Group (DRG) arrangements, we compare the charge for the 1.000 DRG service for each period. Finally, for services under a discount-off-charge arrangement, we use the contracted chargemaster increase provided by our provider contracting department.

We derive contracting changes for out-of-area claims from the Fall 2020 Blue Trend Survey, which is a proprietary and confidential dissemination of the BlueCross BlueShield Association.

We also normalize for changes in demographics and normalize each month to the average number of BCBSVT working days in the year ended February 2020.

We normalized claims to the February 2020 contract at each unique provider by applying a factor equal to the product of the impact of each contracting change from the experience month through February 2020. We assume the derived trend for other claims to be continuous.

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To ensure that random high claims do not skew the trend calculation, we removed all claims of members who exceeded \$500,000 in allowed medical claims in a year ended February. As the utilization component includes intensity, an increase in high cost claimants can disproportionately impact the year-over-over and regression calculations.

4.1.2.1. Facility Claims

For facility claims, we select a 0.6 percent utilization trend.

Using the array of PMPM claim costs net of high claimants and adjusted for contract, aging, and number of working days, we performed 24-month regressions, 36-month regressions, 48-month regressions and time series calculations. Certain time series methods, such as those assuming no trend, those assuming that trend is dampening, or those for which there is not sufficient historical data⁴, are not included, as these are inappropriate for use in trend development and/or for the data available.

The year ended February 2020 over year ended February 2019 trend, after the adjustments described above, is -0.4 percent. Logistic regressions using 24, 36 and 48 months calculate trends of 1.4 percent, 0.5 percent, and 0.9 percent, respectively. The Holt-Winters and double exponential smoothing time series give a similar range of projected trends (-0.5 percent to 1.3 percent), although the root mean squared errors (RMSEs) for all three demonstrate that these methods provide a worse fit to historical data than the regressions.

Method	Trend	RMSE
48 Months Logistic Regression	0.9%	17.84
48 Months Linear Regression	0.8%	18.01
Holt-Winters' Multiplicative 48 Monthly	0.0%	24.05
Holt-Winters' Additive 48 Monthly	0.0%	24.05
Double Exponential Smoothing 48 Monthly	1.3%	23.47
36 Months Logistic Regression	0.5%	17.67
36 Months Linear Regression	0.4%	17.76
Holt-Winters' Multiplicative 36 Monthly	-0.1%	26.54
Holt-Winters' Additive 36 Monthly	-0.3%	26.53
Double Exponential Smoothing 36 Monthly	-0.2%	25.25
24 Months Logistic Regression	1.4%	17.69
24 Months Linear Regression	1.4%	17.77
Holt-Winters' Multiplicative 24 Monthly	-0.1%	31.67
Holt-Winters' Additive 24 Monthly	-0.1%	31.66
Double Exponential Smoothing 24 Monthly	-0.5%	21.28
Year/Year	-0.4%	

⁴ The seasonal additive, seasonal multiplicative, single moving average, and single exponential smoothing methods cannot be used since they assume zero trend. The dampened trend method inherently assumes a slowdown of trend. The double moving average method requires three times the amount of historical data as projection periods, and therefore cannot be used for this analysis.

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The RMSE values for the time series are significantly higher than for the regressions; therefore, we do not consider them good predictors. While recent observed facility trends are down, as shown by the year-over-year trend, the longer-term regressions are all positive. We select a 0.6 percent trend for facility claims to balance the long-term and short-term results.

Details for facility utilization trends are shown on Exhibit 2B, pages 2 to 4.

4.1.2.2. Professional and Ancillary

We select a 1.1 percent utilization trend for professional and ancillary claims.

Professional claims utilization experienced one-time events that skew the overall year over year results. First, BCBSVT introduced a lab benefit manager in August 2019, which helped reduce the number and cost of lab services. Second, in the fall of 2019, we observed a shift in site of care for vaccines from provider offices to pharmacies. While the cost of the administration continues to flow through the medical benefit, the cost of the vaccines has shifted to the retail pharmacy benefit. Some services such as chiropractic and physical therapy services have experienced cyclical oscillations on a two-year pattern. Finally, mental health and service abuse (MHSA) services have seen larger than average increases for the past two years.

To account for these events, we analyzed the number of services by type of service as identified using place of service and CPT or HCPSC codes on the claims.

After excluding claims for independent labs, therapeutic services (chiropractic, physical, occupational, speech) and vaccinations, and carving out MHSA services, the number of services per thousand members per month can be seen to increase at a marginally declining rate each year. On the other hand, MHSA services have increased by 10.3 percent each of the last two years.

	All, except excluded categories		Mental Health and Substance Abuse	
Year Ended	Services per 1,000 member per month	Annual Increase	Services per 1,000 member per month	Annual Increase
February 2017	703.99		113.95	
February 2018	720.23	2.3%	119.76	5.1%
February 2019	728.15	1.1%	132.23	10.4%
February 2020	732.60	0.6%	145.76	10.2%

Based on the historical patterns above and the work in Vermont to expand access to mental health services, especially during and after the pandemic, a 0.5 percent increase in non-MHSA services and a 10 percent increase in MHSA services best projects the utilization of professional services.

Category	Year Ended February 2020 Services per 1,000 member per month	Annual Increase in Services	Months of Trend	Projected Calendar Year 2022 Services per 1,000 member per month
All, Except excluded categories	732.60	0.5%	34	743.05
MHSA	145.76	10.0%	34	191.04
Total	878.37	2.2%	34	934.08

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Over the past few years, services with lower cost per service, such as office visits and urgent care, have seen higher than average increases in number of services. Using the year ended February 2020 cost per service, normalized for cost increases as described above, along with the number of services by type (excluding independent labs, therapeutic services and vaccines), we calculate an annual cost per service:

All, except excluded categories		
Year Ended	Weighted Average cost per service	Annual Increase
February 2017	\$149.68	
February 2018	\$148.40	-0.9%
February 2019	\$147.78	-0.4%
February 2020	\$146.90	-0.6%

We expect the historical patterns of increase services at lower cost to continue through the projection period at a rate of negative 0.5 percent. This is aligned with the historical patterns and with BCBSVT programs to ensure that members have access to high quality care for lower costs.

Category	Year Ended February 2020 Weighted Average cost per service	Annual Change due to Mix	Months of Trend	Projected Calendar Year 2022 Weighted Average cost per service
All, Except excluded categories	\$146.90	-0.5%	34	\$144.82
MHSA	\$87.37	0.0%	34	\$87.37
Total	\$137.02	-1.0%	34	\$133.07

Combining the number of services and mix trend, we get the following total professional utilization trend:

Category	Annual Increase in Services	Annual Change due to Mix	Total Annual Professional Utilization Trend
All, Except excluded categories	0.5%	-0.5%	0.0%
MHSA	10.0%	0.0%	10.0%
Total	2.2%	-1.0%	1.1%

We observed very consistent levels of increase in number of services (with the exceptions of the services excluded above) and very consistent decreases in the average cost per service, driven by a change in mix. There is no reason to believe that these consistent patterns will not persist through the projection period. We therefore select the total annual professional utilization trends of 10 percent for MHSA services and zero percent for all other professional and ancillary services, yielding an aggregate professional trend of 1.1 percent.

Details on professional trends are shown on Exhibit 2B, pages 10 to 11.

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4.1.2.3. Pharmaceuticals

The recent acceleration in cost for pharmaceuticals processed through the medical benefit warrants a separate analysis for these claims. The accelerating cost for these drugs may unduly affect utilization trend, so we consider it appropriate to develop a discrete trend for these claims. Exhibit 2B, page 8 shows the historical allowed claims for this category. As shown on Exhibit 2B, page 9, three drugs experienced very unusual changes over the experience period used for the trend analysis. After excluding these drugs, the results are more consistent. We do not expect these unusual trends to continue through the projection period. We will instead apply the selected trend to all pharmaceuticals processed through the medical benefit.

Based on the assumptions shown on Exhibit 2B, the year-over-year pure premium trend after exclusions is 8.1 percent. Using the average projected cost increase for VHP outpatient services from 2021 to 2022 (5.3 percent; see section 4.1.1), we calculate a projected annual utilization increase of 3.3 percent. The impact of new drugs for the past three years was 6.7, 6.3 and 3.2 percent. Our clinical experts advise us that even with the ongoing COVID-19 pandemic, we can expect the impact of new drugs to increase trend by five percent. We therefore select an 8.1 percent utilization trend for pharmaceuticals.

4.1.2.4. Induced Utilization

Given that the impact of induced utilization has been minimal over the past few years, we continue to not make an adjustment to utilization trend. Exhibit 2C shows the historical paid-to-allowed ratio of claims in the trend experience base.

We discuss the concept of induced utilization further in section 5.1.

4.1.3. Total Medical Trend

The total medical trend factors are the product of the utilization trend and the unit cost trend factors.

Medical Trend – BCBSVT Managed Care				
Category	Facility	Professional	Pharmaceuticals	Total
Unit Cost	5.0%	2.5%	13.8%	
Utilization	0.6%	1.1%		
Total Medical Trend	5.6%	3.6%	13.8%	5.9%

Component	BCBSVT Managed Care	BCBSVT Non-Managed Care
Total Medical Trend	5.9%	6.0%

To calculate the overall medical total trend to be applied in the renewal formula, we trend the manual rate (see section 6.1) and experience medical claims to calendar year 2022 based on the network. We then divide the projected claims cost by the experience claims cost to calculate the overall medical trend.

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Total Allowed Medical Trend				
Network	BCBSVT Managed Care	BCBSVT Non- Managed Care	TVHP Managed Care	Total
Experience Allowed Claims (Medical Only)	\$38,610,067	\$39,814,986	\$9,011,918	\$87,436,971
Trend Factors for 29.1 months	1.1475	1.1505	1.1506 ⁵	
Trended Claims	\$44,305,456	\$45,806,219	\$10,369,328	\$100,481,003
Annual Trend				5.9%

4.2. Retail Pharmacy Trend

On November 9, 2020, BCBSVT announced Vermont Blue Rx, an innovative prescription drug benefit service that will improve the consumer experience, drive better health outcomes, and lower costs for members, providers, and employers.

As part of this program, BCBSVT has selected a new pharmacy benefit manager (PBM). Effective July 1, 2021 the new PBM will provide custom programs, tools, and digital technology designed to better manage overall drug spending and increase member engagement in pharmacy and health care through a more integrated health and wellness service platform. This collaboration will BCBSVT's commitment to providing members with convenient and affordable access to prescription medications through a comprehensive retail and home delivery pharmacy network with no disruption to our members.

Similar to previous Association Health Plan filings, we base our cost trend calculation on Average Wholesale Price (AWP) and apply a separate factor in the rating formula to account for contracting changes. We analyze the components of trend (cost and utilization) separately for brand and generic drugs. We estimate the impact of brand drugs going generic based on the brand drugs that are likely to lose patent in the projection period. Specialty drugs are very high cost drugs with low utilization. Because of their relative infrequency, we consider it more appropriate to look at the overall PMPM trends for these drugs rather than separate cost and utilization components. We calculate the overall pharmacy trend by combining the separate projections.

Non-Specialty Drug Utilization

Exhibit 2D provides the monthly and the 12-month rolling data for non-specialty drugs, along with the corresponding year-over-year and exponential regression trends. There are separate developments for generic cost, brand cost, and overall non-specialty utilization. We use the number of days supply in the utilization development, rather than the number of scripts, to normalize for changes in the days supply per script (e.g. increased use of 90-day fills). Because there are several popular brand drugs that have become generic during the experience period, or will become generic during the projection period, we combine the data for generic and brand drugs for the purpose of analyzing utilization patterns. We exclude vaccines from the non-specialty utilization calculation.

Due to COVID-19, many members refilled their prescription early in March 2020. This changed the pattern of monthly days supply per member. To adjust for this one-time event, we smooth monthly days

⁵ From Q3 2021 TVHP Large Group Rating Program filing (BCVT-132713919)

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supply per member for the periods from March 2020 to May 2020 and June 2020 to August 2020 by using the monthly spread from the same months in 2019.

Exhibit 2D, page 3, shows monthly cost per day supply, adjustment calculation and the 24-month regressions.

The regressions use 24 data points to best capture an adequate amount of the most recent history of drug costs. The number of days per member has been increasing since 2019 with no signs of abatement based on the latest data. We therefore select a 3.5 percent non-specialty utilization trend. This is aligned with our recent filings on other lines of business.

Generic Cost Trend

To ensure that the generic cost trend is not skewed by the arrival of new generic drugs, we perform regressions on monthly Average Wholesale Price (AWP) per days supply on only those generic drugs that have been in the market for more than 36 months.

Exhibit 2D, page 1, shows monthly cost per day supply and the 24-month regressions.

We select an annual trend of 1.1 percent for generic cost trend.

The newly released generic drugs are much more expensive than older generics and have become a larger portion of the total generic days supply. We apply the same cost trend to both categories of generic drugs as we expect that once drugs have been on the market for a few years, they will assume the same patterns of cost increases as older generics. To account for the different in cost per supply between the two categories, we adjust the mix between the older and new generic drugs to reflect the most recent six months in the trend experience period.

Brand Cost Trend

The monthly AWP cost per day supply for brand drugs is impacted by the mix of new and older brands. Brands that have been in the market for one to two years are, on average, less expensive than older brands. To account for this change in mix, we perform a 24-month regression on monthly AWP cost per day supply for brand drugs that have been in the experience for at least four years.

Exhibit 2D, page 2, shows the monthly cost per day supply and the 24-month regressions.

We select 7.1 percent for the brand cost trend, which is the average of the 24-month regression result on monthly data, the 24-month regression on rolling 12-month data, and the most recent year over year trend. This result is consistent with recent filings, and we consider it to be an adequate, yet not excessive, outlook of future trends.

Compounds are one-off prescriptions that are constructed at the pharmacy from component ingredients. Because they are not sold on a wholesale basis, there is no official AWP. We select a 0.0 percent cost trend for compounds.

Vaccines cost experienced major increases through the fall of 2019, and then slowed ever since. We expect this up and down pattern to continue through 2022 include a 10 percent cost trend for vaccines.

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We also do not expect over-the-counter drugs to follow the overall Brand cost trend. Based on historical data, we select a *negative* 15 percent cost trend for OTC drugs.

Specialty Drugs

Exhibit 2E shows the calculation of specialty trend for all specialty drugs. We select a 19.6 percent specialty trend, which is the average trend produced by a 24-month regression on monthly cost, a 24-month regression on rolling 12-month cost, and the most recent year over year increase. For our regressions, we chose 24 points of monthly data to best capture the most recent history of drug costs. The selected trend of 19.6 percent is aligned with the previous Association Health Plan filings and filings for other BCBSVT business.

Total Pharmacy Trend

Instead of explicitly projecting a generic dispensing rate, we separate the drugs into seven categories:

- Generics: Drugs that have been generic since at least September 2017
- New generics: Generic drugs that have been on the market for fewer than 36 months (launched September 2017 through August 2020)
- Brands going Generic: brands that we expect to become available in generic form in the projection period, based on a list from our pharmacy benefit manager
- Vaccines
- Over the Counter (OTC)
- Compounds
- All other Brands

As shown on Exhibit 2F, we trend the days supply for each category forward at the same rate of 3.5 percent and calculate the total non-specialty allowed drug trend as 4.5 percent⁶.

Using the PMPM claims as weights between non-specialty and specialty claims for the 12 months ended August 2020, we apply the annual trends for 28 months. For drug claims in the year ended August 2020, we apply the contracted discounts and dispensing fees for the experience period and CY 2022 to AWP to calculate the total effective trend based on anticipated discount improvements:

Allowed Pharmacy Trend	
Category	Annual Trend
Generic	5.6%
Brand	10.5%
Brands Going Generic	-46.5%
Specialty	19.6%
Total (Contract Adjusted) ⁷	11.0%

Please note that we apply contract changes separately from trend in order to accurately capture the timing for each renewal.

⁶ The non-specialty trend prior to contract adjustments is [REDACTED].

⁷ The total trend prior to the contract adjustment is [REDACTED].

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Exhibit 3K contains the contract adjustment factors that we will apply to the drug claims in an AHP's renewal. These factors assume that both the experience period and rating period are 12 months. For cases where this is not true, or for periods not provided in the exhibit, we will calculate an appropriate factor using an analogous methodology.

4.3. Overall Total Trend

Using the claims experience⁸ for the groups included in the manual rate (see section 6.1), we calculate the overall allowed trend as follows:

Category	Allowed PMPM	Allowed Trend
Medical	\$511.17	5.9%
Pharmacy	\$109.50	11.0%
Total	\$620.67	6.8%

4.4. Leveraged Trends

We will continue to use the leverage formulas from the 2021 Association Health Plan filing. The formulas for leverage are below:

Leverage Formulas	
Medical	$-0.0385 \times (AV) + 1.0389$
Drug Card	$-0.0680 \times (AV) + 1.0691$
Drug - CDHP 100% Wellness	$-0.0559 \times (AV) + 1.0564$
Drug - All Other CDHP	$-0.0723 \times (AV) + 1.0722$

Exhibits 3I and 3J provide examples of leverage factors.

Applying the leverage factors for benefits present in the periods July 2019 through February 2020 and June 2020 through September 2020 for medical and the year ended October 2020 for drug for the groups included in the manual rate, we calculate the following paid trends:

Category	Paid PMPM	Paid Trend
Medical	\$ 410.52	6.8%
Pharmacy	\$ 94.07	11.6%
Total	\$ 504.59	7.7% ⁹

⁸ For medical claims, we use claims incurred 7/1/2019 through 02/29/2020 and 06/01/2020 through 09/30/2020. For pharmacy claims, we use claims incurred 11/1/2019 through 10/31/2020

⁹ The paid trend without the pharmacy contract adjustment is [REDACTED].

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4.5. Medicare Secondary Trends

Medicare Secondary plans cover two categories of services: Medicare-covered services which are subject to member cost share (deductible/coinsurance) and services which are not covered by Medicare. We do not adjust services subject to Medicare cost sharing for network, as Medicare sets the allowed charges, whereas we do adjust the services not covered by Medicare using the contract factors described above to bring all charges to a single network.

For Medicare claims, we use cost and utilization trends from the 2021 TVHP Medigap Blue rate filing (BCVT-132559586).

Category	Allowed Trend
Inpatient	-1.2%
Outpatient	4.0%
Professional	4.0%

The trends used for services not covered by Medicare are the same as the trends developed for use with active benefits. We use the same pharmacy trends for Medicare Secondary plans as we use for active plans.

4.6. Vision Trend

AHP benefits must include pediatric vision benefits that are analogous to those offered in the individual and small group marketplace. We use the small group vision trend of 0.0 percent from the BCBSVT 2021 Vermont Individual and Small Group Rate Filing (SERFF: BCVT-132371410).

4.7. Dental Trend

AHP benefits must include pediatric dental benefits that are analogous to those offered in the individual and small group marketplace. We use the small group dental trend of 0.71 percent from the BCBSVT 2021 Vermont Individual and Small Group Rate Filing (SERFF: BCVT-132371410).

5. Benefit Factors

To determine standardized claims rate relationships, also called relativities, BCBSVT creates models that simulate the impact of member benefits for all types of plans. The models determine the allowed charges for the 12 months of claims included in the study and “re-adjudicate” the claims, thereby simulating the impact of member cost sharing for a given benefit plan.

The claims data used in the models is from BCBSVT’s data warehouse. To ensure accuracy, the claims data has been reconciled against internal reserving, enrollment and other financial reports. The starting point of the analysis is allowed charges as determined by the BCBSVT claims adjudication system. The claims data includes benefit codes that enable us to identify the services and benefit structures (copays, deductibles, and coinsurance) for each claim.

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The models use incurred allowed charges from January 2018 to December 2018, paid through November 2020¹⁰. We trend the allowed charges 48 months to the 12-month period that begins January 1, 2022. The majority of the business that will be renewed using these relativity factors has a January 1 renewal date; the rating formula adjusts the trend for non-January renewals (see section 6.1).

The data includes claims from BCBSVT Cost Plus groups, BCBSVT ASO groups, BCBSVT insured large groups, BCBSVT insured small groups, and TVHP insured large groups. Combining these homogeneous populations creates greater consistency and credibility within the relativity factor development. We combine CDHP and non-CDHP claims. We exclude claims from certain large ASO groups, as the rich benefits offered by those groups are not in line with the leaner offerings of most insured groups. We also exclude groups that have special benefits. This predominantly refers to groups that have specific reimbursement with particular providers outside of BCBSVT's contracts and/or claims processing function. We exclude claims from groups that do not have pharmacy coverage through BCBSVT. We create separate models for active members and Medicare Primary members.

For each benefit plan, the models produce the simulated PMPM values of the benefits. We divide the PMPM for each plan by the average trended paid claims rate from the BRV experience period to produce its benefit relativity (BRV). We calculate relativities for medical only plans, Rx only plans, and integrated CDHP plans for both active employees and Medicare Primary employees.

5.1. Models for Active Employees

Benefit Relativity Model: Medical

We use the total medical trend by type of service to project to the rating period. We calculate cost trends for each type of service using the discrete unit cost trend method above, while applying the separate utilization trends developed for facility and professional services (see section 4.1.2).

Using the contracted reimbursement schedules, we calculate network factors that represent the different network contracts. Using these factors, we can include all claims in each of the three networks by adjusting each claim to the basis of a single network. This enables us to combine all the experience for each plan design.

We categorize claims according to how benefits are paid and generate one record for each member, date of service, and type of service. We assign each record a cost share (deductible/coinsurance, copay, covered in full) for each plan modeled. For all products, we assign claims for preventive mandated benefits a "covered in full" cost share independently of the product that is being modeled.

The model tests one benefit design at a time. It determines the member portion of the allowed charges, and from this, a total simulated paid PMPM for each benefit design. The model considers the impact of copay, deductible, coinsurance, out-of-pocket maximum, and preventive mandated benefits. If the average allowed cost of a category is less than the assigned copay, we assume that the member paid the full cost of the service.

¹⁰ In January of 2019, BCBSVT changed its operating platform for claims, membership, and benefits. The level of detail needed to re-adjudicate benefits under different cost sharing parameters was not immediately available following the operating platform transition. While the 2019 data did become available during 2020, its availability was not sufficiently timely to support its use in developing the models for this filing.

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BCBSVT offers products on several different networks based on the two provider contracts (BCBSVT Managed Care and BCBSVT Non-Managed Care). Depending on the network, there may be more than one tier of coverage (generally referred to as in-network and out-of-network) and different networks may have different providers in each tier. Below is a chart showing which providers are in which tiers on many of BCBSVT's common networks. Providers who accept the indicated provider contract are considered to be in-network. For providers in the BlueCard® network and non-participating providers, 'In' indicates coverage for these providers on the in-network tier of coverage, and 'Out' indicates coverage for these providers on the out-of-network tier of coverage.

Network Name	Provider Contract	BlueCard Providers	Non-Participating Providers
VHP Select	BCBSVT Managed Care	N/A	N/A
VHP	BCBSVT Managed Care	Out	Out
EPO PCP	BCBSVT Managed Care	In	N/A
VHP Open Access	BCBSVT Managed Care	In	Out
EPO	BCBSVT Non-Managed Care	In	N/A
PPO	BCBSVT Non-Managed Care	In	Out
Indemnity	BCBSVT Non-Managed Care	In	In

If BCBSVT were to quote a product not on one of the networks listed above, or one featuring different provider networks for selected services, we would modify the base data in the BRV models to correspond to the desired changes (for example, excluding certain providers or modifying allowed amounts) before simulating the benefit impact.

We use BRVs in two places in the rating formula described in Section 3. We calculate the average experience period seasonally-adjusted benefit relativity factor (line K in Exhibit 1A) using BRVs for the benefits in the experience period and the projected claims for the rating period (line B1 in Exhibit 1C) using BRVs for the benefits in the rating period.

Exhibits 3B and 3C display the relativities for active employees for some medical products currently in our book of business.

Benefit Induced Utilization: Medical

We use factors for the impact of induced utilization (IU) developed by the federal Department of Health and Human Services (HHS) for use with Qualified Health Plans, to which we found the curve of best fit $IU = AV^2 - AV + 1.24$, where AV is the actuarial value of the benefit plan. HHS created their IU factors for combined medical/pharmacy AV, but as we develop BRVs separately for medical and pharmacy plans, we will apply the formula to medical-only AVs. We normalize the curve such that the average AV underlying the base BRV experience period returns a utilization adjustment of 1.00. In other words, if a simulated benefit has an AV less than the average AV, then utilization will be reduced (i.e. factor < 1.00). If a simulated benefit has an AV greater than the average AV, then the benefit will have induced utilization (i.e. factor > 1.00).

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Benefit Relativity Model: Pharmacy

We use the total trend, by type of drug, for brand, generic, and specialty drugs as described above (section 4.2) to project to the rating period.

Within the model, we assign all pharmacy scripts, including specialty, to one of six categories: retail generic, retail preferred brand, retail non-preferred brand, mail generic, mail preferred brand, and mail non-preferred brand. We apply flags to identify several categories of drugs that are either required to be covered in full (ACA contraceptives and vaccines) or for which an AHP may purchase a rider to offer additional coverage (some fertility drugs) or exclusion (lifestyle drugs). We also flag drugs for which an AHP may offer special cost-sharing arrangements, such as diabetic medications and wellness drugs. We assign these flags by National Drug Codes as reported to us by our current PBM.

We adjust the experience period data to reflect the major brands that are expected to become generic between 2018 and 2022. The list comes from a report provided by our current PBM.

For these brands, in the first six months (the exclusivity period), we reduce the Average Wholesale Price (AWP) by 10 percent and keep the brand discount. For the months after the exclusivity period, we reduce the AWP by 10 percent and change the discount to the generic discount. The 10 percent reduction in AWP is based on industry standard assumptions, supported by our own analysis of AWP changes for drugs that have moved from brand to generic over the past several years.

We generate one record for each member and date of service combination. One record can have more than one script category. The model tests one benefit design at a time. It determines the member portion of the allowed charges and a total simulated paid PMPM for each benefit design. The model considers the impact of the deductible, coinsurance, copays and out-of-pocket maximum (OOPM). Following the ACA, the model excludes contraceptives and vaccines from the cost sharing. If the average allowed cost of a category is less than the applied copay, we assume that the member pays only the full cost of the script. With Vermont Act 171, all pharmacy benefits effective January 1, 2021 or later will have an OOPM of \$1,400. It is possible that this limit will increase effective January 1, 2022, following the IRS rules for Health Savings Accounts and High Deductible Health Plans. The exhibits include the \$1,400 OOPM on pharmacy benefits.

Exhibit 3D displays the relativities for active employees for some pharmacy products currently in our book of business.

Benefit Induced Utilization: Pharmacy

We performed an independent analysis to measure the correlation between the benefit design and the quantity of pharmacy prescriptions consumed. We adjust the pharmacy benefits in two ways. First, the generic utilization varies with the benefit design. We use claims and membership data from January 2017 through August 2020 to create a table to adjust the base generic utilization up or down depending on the difference in the generic and brand copays of the member's drug plan. Exhibit 3A displays the adjustments by brand/generic copay differential for generic and brand scripts.

Second, we perform a separate analysis to adjust for the overall pharmacy benefit. We assign a modeled actuarial value to every benefit in the experience period. The correlation uses the actuarial value as the independent variable and days supply as the dependent variable. A linear equation best fits the data.

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We normalize the curve such that the actuarial value underlying the base BRV benefit returns a utilization adjustment of 1.00. The resulting formula is [REDACTED].

Although we use two steps to calculate the induced utilization, we are not adjusting the data twice. The adjustment for difference in generic/brand copays changes the mixture of scripts (i.e. generic dispensing rate) without adjusting the overall frequency of scripts. The richness or leanness of the plan, as measured by the actuarial value, drives an adjustment to the overall frequency of scripts without changing the mixture of scripts.

As the model includes claims from both CDHPs and drug cards, we also adjust for the type of benefit being modeled. Claims incurred on a CDHP have a lower cost per script than claims incurred on a drug card. We calculate a factor for each benefit type by taking the ratio of the cost per script for that type and the cost per script from all claims in the model. For CDHPs, the factor is [REDACTED] and for drug cards the factor is [REDACTED].

Benefit Relativity Model: Integrated (CDHP)

The CDHP model combines both the medical and pharmacy models described above. There is one record for each member, date of service and type of service combination. The model calculates separate medical and pharmacy actuarial values and makes the appropriate utilization adjustment for each.

Exhibit 3E displays the relativities for active employees for some CDHP products currently in our book of business.

5.2. Tier Factors

Each BRV model generates a BRV for different contract tiers as well as the overall PMPM described in the sections above. The models perform this calculation by re-adjudicating claims across families in addition to member-based readjudication. We apply the tiered BRVs to each benefit's member distribution by tier to calculate the average BRV for the experience benefits and to the AHP's member distribution by tier to calculate the average BRV for the rating benefits.

We use the same tier factors developed in the previous filing to spread the required premium across tiers. Exhibit 3L displays these factors.

5.3. Models For Age 65+ Medicare Secondary Plans

Benefit Relativity Model: Medical

Medicare Primary rate tiers are only available on the BCBSVT Non-Managed Care network. To develop benefit relativity values for Medicare Secondary plans, we use the same method as we do for the active factors. For the claims base, we use allowed charges incurred between January 2018 and December 2018, paid through November 2020, for members whose primary insurance is Medicare. Given the scarcity of Medicare Primary members in the BRV experience (fewer than 1,000 member months), we also include Medicare Primary members from groups who we exclude from the development of the active BRVs (e.g. large ASO groups). If the underwriter believes that these claims are not representative of a given AHP's characteristics (for example, due to demographics or morbidity), we will develop relativities using an analogous method with more representative experience.

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Medicare Secondary plans cover two categories of services: Medicare-covered services which are subject to member cost share (deductible/coinsurance) and services which are not covered by Medicare. We do not adjust services subject to Medicare cost sharing for network, as Medicare determines the allowed charges, whereas we adjust the services not covered by Medicare using the contract factors described above to bring all charges to a single network.

We trend the allowed charges to the 12-month period that begins January 1, 2022. We use the total medical trend by type of service as described in section 4.5.

As with the active benefits, the model simulates the effects of a benefit design on the trended allowed charges and calculates a simulated paid PMPM. The model divides this paid PMPM by the Medicare Primary manual rate (without the adjustment for changes to the pharmacy contract) to produce the benefit relativity value. Unlike the active benefits, we do not make an adjustment for induced utilization due to the richness of the benefit. As Medicare is the primary insurance for these plans and Medicare-covered claims make up 85 percent of the trended allowed charges, we do not believe that the richness of the secondary insurance will have any influence on utilization.

Exhibit 3F displays the relativities for some Medicare Secondary medical products currently in our book of business.

Benefit Relativity Model: Pharmacy

To calculate relativities for pharmacy benefits for plans that are secondary to Medicare, we use the same methodology as for active employees. We use allowed charges incurred between January 2018 and December 2018, paid through November 2020, for members whose primary insurance is Medicare (including members in large ASO groups, as with the medical experience). If the underwriter believes that these claims are not representative of a given AHP's characteristics (for example, due to demographics or morbidity), we will develop relativities using an analogous method with more representative experience.

We trend the allowed charges to the 12-month period that begins January 1, 2022 using the same trends as used for active members. We assign pharmacy scripts to the same categories as for the active members and adjust allowed charges for brands going generic between the experience period and the rating period. The model produces a simulated paid PMPM for each benefit design and adjusts for the impact of induced utilization on the mixture and frequency of scripts as described for the active relativities above. We divide the adjusted paid PMPM by the Medicare Primary manual rate (without the adjustment for changes to the pharmacy contract) to produce the relativity.

Exhibit 3G displays the relativities for some Medicare Secondary pharmacy products currently in our book of business.

Benefit Relativity Model: Integrated (CDHP)

The Medicare Secondary CDHP model combines both the medical and pharmacy Medicare Secondary models described above. We create one record for each member, date of service, and type of service combination. The model calculates separate medical and pharmacy actuarial values and makes the appropriate utilization adjustments for each.

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Exhibit 3H displays the relativities for some Medicare Secondary CDHP products currently in our book of business.

5.4. Formulary & Pharmacy Options

BCBSVT offers AHPs a selection of formularies. AHPs can select either the BCBSVT Formulary or the National Performance Formulary. AHPs electing the National Performance Formulary receive greater rebates than those on the BCBSVT Formulary. To calculate the impact of the change, we identify rebate-eligible claims for the groups in the manual rate base. We calculate rebate totals under the contracted terms of each formulary. For AHPs changing formularies, we apply the below factors to projected rebates. We adjust the factors proportionately if the experience period includes a mix of formularies.

Experience Formulary	Rating Formulary	Rebate Multiplier
BCBSVT Formulary	National Performance	
National Performance	BCBSVT Formulary	

BCBSVT offers AHPs a choice of specialty pharmacy networks option. AHPs electing the exclusive option receive greater discounts on specialty drugs. We calculate pharmacy contract factors for this option using an analogous method to the standard contract factors, as described in Section 4.2. Exhibit 3K Page 2 provides the discount factors for the exclusive network option. For AHPs with a mix of specialty options in their experience period, we adjust the factors using an analogous methodology proportionately to the programs in effect.

5.5. Riders

BCBSVT files riders with the Vermont Department of Financial Regulation (DFR) that allow AHPs to add or modify covered services. These riders include, but are not limited to, the Benefit Enhancement Rider, Acupuncture Benefits Rider, and Wellness Drug Rider. For riders that modify covered services, we use the benefit relativity model to price the rider. For riders that cover an optional service, we develop allowed charges from groups offering that coverage and adjust to the AHP's benefit or use a reasonable approximation of allowed charges if no experience data exists. If, in the underwriter's professional judgment, the election of a rider will create material anti-selection, the underwriter will modify the rate as necessary to reflect appropriate rates for the rider being rated, as described in section 3.

6. Other Factors Applicable to All Association Health Plans

6.1. Manual Rate

The AHP manual rate for active members is the medical paid claims PMPM incurred between July 1, 2019 through February 29, 2020 and June 1, 2020 through September 30, paid through November 30, 2020 and pharmacy paid claims PMPM incurred between November 1, 2019 through October 31, 2020 paid through November 30, 2020 from BCBSVT insured large groups, BCBSVT Cost Plus groups, TVHP insured large groups, BCBSVT insured association health plan member groups, and BCBSVT insured small groups. We only include in the manual rate experience groups where the average number of monthly subscribers exceeded 25, and where the group had active enrollment throughout the manual rate

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experience period. We cap claims at \$400,000¹¹ and add expected claims above \$400,000. We calculate the expected large claims using the method described in section 6.2. We consider the above lines of business to be representative of the experience of association health plans to be covered under this filing.

We calculate a separate manual rate for Medicare Primary members using the paid claims PMPM from the BRV experience period, trended to calendar year 2022 using the Medicare Primary trends described in section 4.5 and the pharmacy contract adjustments described in section 4.2. We make no adjustments to the Medicare Primary manual rate for large claims.

Calculation of the Manual Rate (Actives)			
Claim Type		Medical	Pharmacy
Experience Period		Jul 2019 – Feb 2020, Jun 2020 – Sep 2020	Nov 2020 – Oct 2021
Incurred and Paid Experience Paid Claims, capped at \$400,000	A	\$69,973,343	\$18,049,050
COVID-19 Related Claims	B	\$459,651	\$0
Estimated IBNR	C	\$455,771	\$2,888
Expected Claims above \$400,000	D	\$1,525,359	\$136,310
Deferred Care Adjustment	E	0.9869	1.000
Demographic Normalization	F	1.0144	1.0149
Overall Paid Trend Factor	G	1.1720	1.2860
Projected Total Paid Claims	$H = (A - B + C + D) \times E \times F \times G$	\$83,878,326	\$23,736,096
Total Member Months	I	170,567	170,450
Medical/Pharmacy Manual Rate	$J = H / I$	\$491.76	\$139.26
2022 Manual Rate	$K = J_1 + J_2$	\$631.02	
2021 Approved Manual Rate	L	\$633.39	
Manual Rate Increase	$M = K / L - 1$	-0.4%	

Calculation of the Manual Rate (Medicare Primary)		
BRV Experience Paid Claims	A	\$33,985,860
Overall Paid Trend factor (5.2% for 36 months)	B ₁	1.1655
Overall Paid Trend factor (7.9% for 12 months)	B ₂	1.0786
Projected Total Paid Claims	$C = A \times B$	\$42,723,842
Total Member Months	D	94,703
2022 Manual Rate	$E = C / D$	\$451.14
2021 Approved Manual Rate	F	\$424.34
Manual Rate Increase	$M = K / L - 1$	6.3%

We use a different method of calculating the manual rate for active and Medicare Primary members. There are not enough Medicare Primary members in the active manual rate base to develop a credible

¹¹ Selected using the current membership and the table in Exhibit 6B.

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manual rate, so we base the Medicare Primary manual rate on the larger set of claims in the BRV experience, which includes Medicare Primary members from ASO groups as well as large groups. Since we did not update the BRV experience, we apply the overall paid trend factor from the 2021 filing for 36 months and the overall paid trend factor from this filing for 12 months to calculate the 2022 manual rate for Medicare Primary members, adjusted for differences in pharmacy contracts as described in section 4.2.

We adjust the manual rate to reflect an AHP's particular characteristics, as demonstrated in Exhibit 4A. We make an adjustment for the average age/gender factor (line B) of the AHP. For active and Medicare primary members, we use factors from the SOA's report *Health Care Costs – From Birth to Death*¹². We normalize the factors such that the membership in the manual rate experience period has an age/gender factor of one. We assign an industry factor (line C) to each AHP based on the Standard Industrial Classification code. See Exhibit 4B for the schedule of industry factors. We normalize the industry factors such that the manual rate has a factor of one. We do not apply an industry adjustment to the manual rate for Medicare Primary members. The manual rate assumes the AHP is on the open specialty network. For AHPs electing the exclusive specialty network, we adjust the manual rate using the methodology described in section 5.4. We then multiply the manual rate by an adjustment factor to reflect structural changes between the experience period to the rating period. This adjustment modifies the manual claims to reflect such things as mandated benefit changes, contractual provision changes, etc., that, in the judgment of the underwriter, are necessary to make the manual rate appropriate for the estimation of the expected claims in the rating period.

6.2. Large Claims Factors

BCBSVT uses the formula and factors in Milliman's 2020 *Health Cost Guidelines – Reinsurance* to calculate expected claims above the pooling limit. The contents of the *Guidelines* are proprietary and confidential. This filing provides a general description of the formula but will not include any of the factors.

The formula develops expected claim costs above a particular pooling point separately for children and adults on a PMPM basis. The basis for each rate is a starting claim cost that varies with the pooling point and the out-of-pocket limit for the benefit. Milliman calculates the starting claim costs using national data, and the formula applies factors to adjust to our Vermont service area and the details of our contracts with local providers. The formula applies an adjustment for demographics and a trend factor to adjust the starting claim costs for the experience period of the renewal. There are also adjustments to the starting claim costs for the network of the benefit to account for claims from out-of-network providers, if appropriate for the benefit. The formula includes an adjustment factor that controls for known, ongoing high claimants, which are typically added to premium through underwriting judgment. To avoid double-counting such claimants, we apply a five percent reduction to the estimated claims above the pooling point based on recent BCBSVT and TVHP large group experience.

¹² <https://www.soa.org/Research/Research-Projects/Health/research-health-care-birth-death.aspx>

The factors for the age curve are in Chart 1 (for actives) and Chart 21 (for Medicare Primary) of the databook linked on the page.

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We multiply the adjusted adult and child claims rates by benefit by the number of adult and child member months in the experience for that benefit to develop the total expected claims above the pooling level.

6.3. Administrative Charges

The sources of administrative expense data in this filing are BCBSVT's data warehouse and accounting records. The experience period for this filing is January 2020 to November 2020. We use actual BCBSVT and TVHP administrative expenses for the experience period on a GAAP reporting basis as a proxy for administrative expenses for AHPs.

Experience Base of Actual Expenses

BCBSVT's cost accounting system allocates administrative expenses to lines of business. We use BCBSVT insured large group and TVHP insured large group information for the base administrative charges.

We allocate the cost accounting data by cost center into cost categories for purposes of determining administrative charges for each specific group account, given that account's characteristics. The group cost categories align with the rules used in the cost allocation model. The group cost categories include:

Account – those expenses that the system allocates to specific group accounts on a per group account basis.

Member – those expenses that the system allocates on a per member basis.

Contract – those expenses that the system allocates on a per contract (subscriber) basis.

Medical Claims – those expenses that the system allocates on a per medical claim basis.

Invoice - those expenses that the system allocates on a per invoice basis.

Total Projected Claims – overhead expenses that we allocate using experience paid claims.

For each of the group cost categories described above, we tabulate the respective number of unit months during the experience period for BCBSVT and TVHP insured large groups. Large groups can offer a choice of BCBSVT and TVHP products to their employees if they wish to offer options with different networks. We therefore combine expenses for both companies in this filing to ensure alignment of administrative expenses across the products within a large group offering. The unit months include the number of account months, number of member months, number of contract months, and number of medical claims and invoices by month. For overhead expenses, we divide the experience administrative charges by experience paid claims to calculate a percent of claims factor.

The table below reflects reclassifications of the base data, including the removal of federal fees (we add these to premium rates separately; see section 6.9), GMCB billback (we add these to premium rates separately; see section 6.8), and fees paid to vendors for the administration of Health Savings Accounts and Health Reimbursement Accounts linked to our insurance products (participation in this service is optional; we assign these fees to groups who select the service). We also remove any expenses incurred due to one-time, non-recurring events, such as the expenses related to enabling full-time remote work, as these costs are not expected to continue to occur in the projection period. Finally, we adjusted the allocation of overhead among lines of business to reflect a consistent percentage of premium or premium equivalent, which is a more appropriate (i.e. lower, in the case of this filing) basis for pricing purposes.

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Reconciliation of Experience Base Administrative Expense to Restated GAAP Expenses (dollars in thousands)					
Business Segment	Reported Expenses ¹³ (01/20 – 11/20)	Commissions ¹⁴	Reclassification Items ¹⁵	Reallocations	Adjusted Experience
	(A)	(B)	(C)	(D)	(E) = (A) – (B) – (C) – (D)
BCBSVT Insured	\$6,481	\$533	\$1,212	\$1,427	\$3,309
TVHP Insured	\$2,155	\$151	\$250	\$252	\$1,501
Large Group Subtotal	\$8,635	\$684	\$1,462	\$1,680	\$4,810

We calculate per unit per month (PUPM) values using the adjusted experience period administrative expenses and unit counts. For the group segments included in this filing, there are five such PUPM values and one percent of claims value.

Projection Factors

We project actual administrative costs PUPM from the experience period to each of the rating periods based on a 2.2 percent annual trend. This projection factor makes a reasonable but modest provision for increases in overall operating costs PUPM. There are no known extraordinary or mandate-related costs at this time which require a separate provision for the rating periods involved in this filing.

To calculate the annual trend increase we assume that personnel costs (wages and benefits) will increase by three percent, the typical budgeted wage increase, and we assume other operating costs will remain flat. Based on year-to-date November 2020 information, we calculate that 72.8 percent of our administrative costs are for salaries and benefits. We therefore increase our total projected administrative expenses by the weighted average of 2.2 percent per annum. We apply the trend increase through 2020, assume no trend for 2021, and apply trend from 2021 to 2022, which broadly aligns with the decision to forgo cost of living increases in 2021.

Development of Administrative Charges Trend		
		Percent of Total
Employee costs	A	55.4%
Purchased services	B	23.8%
Other operating costs	C	20.8%
Subtotal administrative expenses	D = A + B + C	100.0%
Total personnel costs	E = A / (A + C)	72.8%
Trend for personnel costs	F	3.0%
Total administrative charges trend	G = {(1+F) x E + (1.00) x (1-E)} - 1	2.2%

¹³ Reported Expenses are from Underwriting Results GAAP Basis, restated for the new allocation, for the Experience Base period.

¹⁴ Commissions are from Internal BCBSVT reports

¹⁵ Reclassification Items are from Internal BCBSVT reports, including the removal of one-time items

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We anticipate an increase in total BCBSVT membership in 2022, but due to a loss of membership from 2020 to 2021, we expect that membership will have declined from the experience period to the projection period. This decrease in membership results in an increase in admin charges PMPM, as there are fewer members over which to spread fixed costs.

We calculate PMPM admin charges with experience period enrollment and projected 2022 enrollment. Using the lower 2022 enrollment increases the PMPM by 6.2 percent. A recent cost accounting exercise suggests that variable costs represent approximately 30 percent of total administrative expenses. BCBSVT is committed to providing insurance coverage for our members at the most affordable rates possible; as a result, even though it is impractical to react to enrollment shifts by immediately right-sizing staff, we nonetheless remove from our projection the entirety of variable costs associated with the reduced enrollment. We therefore apply a net increase of 4.4 percent to the base PUPM charges to account for the reduction in membership. The table below shows the calculation.

Development of Enterprise Membership Adjustment			
	Enterprise Admin Expenses	Members	Admin PMPM
Experience Period	\$67,551,300	174,250	\$35.24
Projected 2022 Enrollment		164,000	\$37.45
Elimination of 100% of variable costs for reduced enrollment			\$36.78
Adjustment for Enterprise Membership		\$36.78 / \$35.24 = 1.044	

Required Administrative Increase

Using the methodology described above, the administrative charges increase by 14.3 percent:

Administrative Charges – Reasons for Required Increase				
		Admin Charges PMPM	Change PMPM	Percent Change
1	Approved January 2021 admin from Q3 2020 filing	\$53.82		
2	Rebase experience and allocations	\$57.66	\$3.84	7.1%
3	Net enterprise membership adjustment	\$60.19	\$2.52	4.4%
4	Additional year of trend	\$61.50	\$1.31	2.2%
	Total Increase		\$7.68	14.3%

Charges for Group Accounts

Exhibit 5A shows the administrative charge PUPM values used by the rating formula to produce account-specific administrative charges. The formula applies these values to an AHP's corresponding unit counts and expresses the resulting charges as an equivalent PMPM.

The administrative charges do not include amounts for special items or unique services not part of BCBSVT standard scope of administrative services (e.g., special booklets, certificates, or reports). Charges for such services will be determined and applied separately on an account-specific basis. The filed charges also do not include commissions based on the commission scale applicable to the account. The rating formula calculates and applies commissions separately.

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6.4. Net Cost of Reinsurance

BCBSVT purchased reinsurance for claims in excess of \$1,000,000 for 2021, and we expect to purchase similar reinsurance in future years with limits approximately equal to the 2021 limit. We estimate that the target loss ratio for the reinsurance is approximately 75 percent, which implies a cost of reinsurance of approximately 33 percent of claims above the reinsurance limit. For each pricing period starting quarter, we use the total paid trend of 8.2 percent and a leverage factor for the \$1,000,000 reinsurance limit from Milliman's 2020 *Health Cost Guidelines – Reinsurance* to calculate the expected annual claim cost above the reinsurance limit, then multiply the cost by 33 percent to determine the annual cost of reinsurance. We divide this by 12 to produce the PMPM cost of reinsurance. The table below shows these PMPM's based on pricing period starting quarter. If a renewal requires a factor for a pricing period not in the table, identical data, assumptions, and methodology as described above will be used to calculate the net cost of reinsurance.

Pricing Period Starting Quarter						
Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
\$1.41	\$1.49	\$1.56	\$1.64	\$1.72	\$1.81	\$1.90

6.5. Pharmacy Rebates

We calculate pharmacy rebates by taking the experience period rebates and trending them using the total trend for brands eligible for rebates (see table below). We subject the trended rebates to the minimum guarantees for the rating period. There is a lag between the receipt of pharmacy rebates and the time of the original claims. For months in the experience for which we do not have detailed rebate information, we include an estimated rebate amount in the calculation.

Claim Type	Experience Period Allowed Charges	Projected Allowed Charges after Contract Changes
Brand Going Generic		
Brand		
Specialty		
Total		
Total Trend for Drugs Eligible for rebates	=	= 13.0%

6.6. Pediatric Vision and Dental

AHPs must offer pediatric dental and vision benefits that are analogous to those offered in the individual and small group marketplace. To develop the projected claims, we use small group claims and trend from the BCBSVT 2021 Vermont Individual and Small Group Rate Filing (SERFF: BCVT-132371410).

Projected Pediatric Vision and Dental Claims			
		Dental	Vision
Base Data (CY 2019)	A	\$2.09	\$0.11
Annual Trend	B	0.71%	0.0%
Months of Trend	C	36	36
Projected Claims	$D = A \times (1+B)^{(C/12)}$	\$2.13	\$0.11

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

6.7. OneCare Coordination Fee

BCBSVT pays OneCare Vermont a care coordination fee for attributed members. This payment directly supports ACO providers, including community providers, as they deploy new care models. This model mirrors the investment Medicaid has made in the ACO provider network and supports the comprehensive care models being tested within the ACO program. The monthly charge for members attributed to OneCare is \$3.25. We will update this estimate if we receive additional information.

6.8. Contribution to Reserve

As directed by management, we include the following contribution to reserve factors in the rate calculation:

Contribution to Reserve	
BCBSVT Insured AHPs	1.5% of premium

A memo from BCBSVT senior management regarding the contribution to reserve factors can be found as Attachment A. We consider the above-listed contribution to reserve factors to be sufficient in the long-term.

6.9. State Mandates and Assessments

Vermont Vaccine Purchasing Program Payments

The Vermont Vaccine Purchasing Program¹⁶ offers health care providers state-supplied vaccines at no charge by collecting payments from Health plans, insurers, and other payers. This assessment is a PMPM charge applied to members residing in Vermont who are ages 0 to 64. On May 1, 2020, the Vermont Vaccine Purchasing Program released a memo that included the anticipated rates for April 1, 2021 – March 31, 2022: *“For planning purposes, the best estimate at this time for the SFY2022 assessment rate is \$10.60 per child covered life per month and \$1.09 per adult covered life per month. The SFY2021 assessment rate will be reviewed for final determination in April 2021.”* We will update these rates once the actual rates are known.

New Hampshire Purchasing Program Payments

The New Hampshire Purchasing Program¹⁷ offers health care providers state-supplied vaccines at no charge by collecting payments from health plans, insurers, and other payers. The assessment for 2021 is \$6.25 for each child that is a New Hampshire resident. The current best estimate of the 2022 rate is \$6.25 per assessable life per month. We will use the new rate once it is approved.

¹⁶ <http://www.vtvaccine.org/>

¹⁷ <https://nhvaccine.org/>

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

New York State Health Care Reform Act

BCBSVT pays the New York GME Covered Lives Assessment¹⁸ for all members who are New York residents as part of the New York State Health Care Reform Act. The assessment varies based on the county of residence. We will use the new rates once they are approved.

Maine Guaranteed Access Reinsurance Association

BCBSVT pays the Maine Guaranteed Access Reinsurance Association Assessment¹⁹. The 2019 assessment is \$4.00 per member per month for each member that is a Maine resident. We will use any new rates once they are approved.

Health Care Claims Tax

The Health Care Claims Tax of 0.999 percent applies to all claims or capitations incurred by members with Vermont zip codes. We use the percentage of current members with Vermont ZIP codes to estimate the percentage of rating period claims expected to be incurred by Vermont members. Act 73 of 2013 sunset the 0.199 percent assessment for the Health IT-Fund. Given this fee has routinely been extended close to its sunset date, we will include it in the calculation and update the charge if new information becomes available.

Blueprint

BCBSVT participates in the Vermont Blueprint for Health program. The current assessments for this program, applied to members who are attributed to a Blueprint provider as of the month the renewal is produced, are \$2.77 PMPM for the Community Health Team and \$3.00 PMPM for the Patient Centered Medical Homes (PCMH). PCMH are eligible for up to \$0.50 for performance. We project that our total PMPM for PCMH will be \$3.21. We base the projected performance payment on the average payment for groups in the manual rate base in the year ended November 2020. We will incorporate any updates made to the Blueprint Manual²⁰ in renewals.

Green Mountain Care Board Billback

The Green Mountain Care Board assesses BCBSVT a billback. We apply billback amounts from the administrative charges experience period described in section 6.3 to projected member months to develop the charge of \$2.31 PMPM.

Other Assessments

We include other state mandates and assessments in the calculation as applicable.

6.10. Federal Assessments

Patient-Centered Outcomes Research Institute Fee:

This fee is part of the Affordable Care Act and applies to all plan years ended after September 30, 2012 and before October 1, 2029. We provide the estimated fees in the table below. We will update this estimate if we receive additional information.

¹⁸ <https://www.health.ny.gov/regulations/hcra/gmecl.htm>

¹⁹ <http://www.mgara.org/>

²⁰ <http://blueprintforhealth.vermont.gov/>

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
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PCORI	
Plan Year Ending Between	Fee Amount
October 2020 - September 2021	\$2.66 PMPY
October 2021 - September 2022	\$2.74 PMPY
October 2022 - September 2023	\$2.91 PMPY

Other Assessments

We include other federal mandates and assessments in the calculation as applicable.

7. Medical Loss Ratio Projection

We use the factors and formula in this filing to project a Medical Loss Ratio (MLR) for 2022. Using the manual rate as a proxy for projected claims, we project a 2022 MLR of 89.1 percent. Some of the line items, such as estimated HCQ and broker commissions, use insured large group experience as a proxy for associations.

MLR Calculation			
(A)	Manual Rate	\$631.02	Exhibit 4A
(B)	Pediatric Dental & Vision	\$2.24	Actuarial Memorandum, Section 6.6
(C)	Rebates	\$37.95	Actuarial Memorandum, Section 2.3
(D)	Estimated HCQ	\$2.75	2019 Large Group MLR Filing, untrended
(E)	State Mandates and Assessments	\$10.59	Calculation as described on Exhibit 1C, using latest actual PMPM as needed
(F)	MLR Numerator	\$608.65	= (A) + (B) – (C) + (D) + (E)
(G)	Projected Claims	\$605.90	= (A) + (B) – (C) + (E)
(H)	Net Cost of Reinsurance	\$1.56	Actuarial Memorandum, Section 6.4
(I)	Administrative Charge	\$55.62	Calculation as of January 2022, from Exhibit 5A
(J)	GMCB Billbacks	\$2.31	Actuarial Memorandum, Section 6.9
(K)	Patient-Centered Outcomes Research Institute Fee	\$0.24	Actuarial Memorandum, Section 6.10
(L)	Subtotal	\$665.63	= (G) + (H) + (I) + (J) + (K)
(M)	Total Premium	\$683.42	= (L) / (1 - 0.011 - 0.015)
(N)	Commissions	\$7.54	= (M) x 1.1% (from 2019 Large Group MLR filing)
(O)	Contribution to Reserve	\$10.25	= (M) x 1.5% (from Actuarial Memorandum, Section 6.8)
(P)	MLR Denominator	\$683.42	= (M)
(Q)	MLR	89.1%	= (F) / (P)

The above calculations represent estimates assuming that all pricing assumptions hold true, and assuming no change from 2019 values for various quantities (e.g. HCQ, commissions).

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

8. Act 193 Information

The table below shows the year-over-year increase in plan spending and the percentage of the 2022 manual rate for generic, brand, and specialty drugs. We calculate the percent of 2022 manual rate as the experience drug claims (November 2019 – October 2020, paid through November 2020), trended to 2022 and adjusted to the pharmacy contract in force for 2022, divided by the 2022 manual rate of \$631.02 (from section 6.1). We calculate the year-over-year increase as the increase in drug spending from the experience period used in the 2021 manual rate for the 2021 AHP filing (January 2019 – December 2019, paid through February 2020) to the experience period used for the 2022 manual rate in this filing.

Drugs Processed Under the Pharmacy Benefit		
Type	Percent of 2022 Manual Rate	Increase in Plan Spending
Generic	1.8%	-2.5%
Brand	7.2%	8.1%
Specialty	12.9%	-5.5%

The increase in drug spending compared to other premium components is below:

Premium Increases	
Component	Increase
Rx Claims	-0.7%
Medical Claims	3.4%
Non-Claims Components	-12.4%

Please see Attachment B for the specialty formulary as of 12/1/2020.

Drugs administered in an outpatient setting and covered by the medical benefit represent 12.3 percent of the 2022 manual rate. We trended drug claims covered by the medical benefit from the manual rate experience period to 2022 and divided by the 2022 manual rate of \$631.02.

OptumRx will act as the pharmacy benefit manager (PBM) for BCBSVT's Vermont Blue Rx pharmacy program beginning in July 2021. OptumRx will manage claims processed through the pharmacy benefit but not claims processed through the medical benefit for use in a facility.

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

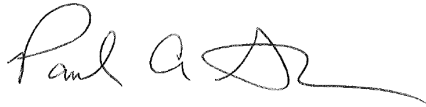
9. Actuarial Opinion

I, Paul Schultz, Chief Actuary, am an employee of Blue Cross Blue Shield of Vermont and a member of the American Academy of Actuaries. I have experience in the area of insured health care programs.

Section 10 lists applicable limitations and disclosures.

It is my opinion that the rating formula and factors presented in this filing are reasonable and have been prepared in accordance with applicable Actuarial Standards of Practice. The formula and factors will produce premium rates that are reasonable in relation to the benefits provided and will not be excessive inadequate or unfairly discriminatory.

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's Qualification Standards to render this opinion.

A handwritten signature in black ink, appearing to read "Paul A. Schultz", with a stylized flourish at the end.

Paul A Schultz, F.S.A., M.A.A.A.

March 11, 2021

Blue Cross and Blue Shield of Vermont
2022 Association Health Plan Filing
Actuarial Memorandum

10. Disclosures

Information Date: The analysis provided in the report is based on information as known on March 10, 2021.

Scope: The purpose of this filing is to establish the formula, manual rate, and accompanying factors that will be used for renewals of Blue Cross and Blue Shield of Vermont association health plans. This filing is not intended to be used for other purposes.

Intended Users: This material has been prepared for the GMCB. BCBSVT understands that this memorandum and accompanying exhibits will be posted publicly.

Uncertainty or Risk: Future events may affect the results presented in the memorandum.

Reliance on Other Sources for Data and Other Information: This analysis relies upon data from the BCBSVT data warehouse. I have reviewed the data for reasonableness, but no audit was performed. This analysis relies upon several sources of information that are cited as footnotes at their respective references. If any of the sources we have relied upon are incorrect or inaccurate, it may affect the accuracy of the results presented in the report.

Subsequent Events: New information related to the COVID-19 pandemic continues to emerge on a regular basis. Subsequent events may affect the projected MLR presented herein. The degree to which future events may materially change the MLR is unknown. Notably, the filing does not include an assumption for additional claims expense due to ongoing COVID-19 vaccination on an annual basis. It remains uncertain whether the vaccines will require annual administration.

As of March 10, 2021, Vermont remains in a state of emergency regarding the COVID-19 pandemic. Given BCBSVT's previously communicated position of paying for pandemic-related costs through policyholder reserves, we would not include vaccine costs in the rate development even if emerging evidence demonstrates that an annual booster will be required.

Assumptions: Contribution to Reserves were set by BCBSVT management.

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the state of Vermont

Ruth Greene

Ruth Greene
Vice President, Treasurer & Chief Financial Officer



Digitally signed by Ruth Greene
Date: 2021.03.10 14:41:24 -05'00'

Date

March 11, 2021

Thomas Crompton
Health Systems Finance Associate Director
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602

Subject: Blue Cross and Blue Shield of Vermont - NAIC # 53295
2022 Association Health Plan Rating Program Filing

Dear Mr. Crompton:

Attached for the Green Mountain Care Board's review and approval is Blue Cross and Blue Shield of Vermont's 2022 Association Health Plan Rating Program Filing. As directed by the Board, this filing combines the various factor filings for association health plan rating components (trend, large claims, benefit relativity, administrative fees and contribution to reserve, and the formula itself) into a single filing.

Please let me know if we can answer any questions or provide further information during your review.

Sincerely,

Ruth Greene
Digitally signed by Ruth
Greene
Date: 2021.03.10 14:42:20
-05'00'

Ruth Greene

cc: Paul Schultz/BCBSVT
Martine Lemieux/BCBSVT

08/17

BLUE CROSS BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING
PLAIN LANGUAGE SUMMARY

Our mission and vision. Blue Cross and Blue Shield of Vermont (BCBSVT) is committed to giving our members access to high-value health care while responsibly managing healthcare costs. To that end, we seek to improve the health of Vermonters by promoting preventive care and healthy lifestyles. We use our strong care management program to assure better care for our members and avoid unnecessary costs. And we work with providers on strategies to improve health care services and reduce health care costs.

BCBSVT's vision is a transformed health care system in which every Vermonter has health care coverage and receives timely, effective, affordable care. To achieve that vision, BCBSVT must be financially sound. That means we need to charge rates that cover the cost of providing health care to our members.

Rate request summary. BCBSVT creates association health plan premiums on a case-by-case basis. The rating process uses a formula that blends recent claims experience for each association health plan with a manual rate. This filing establishes the rating formula, manual rate, and factors that will be used to create association health plan rates.

- There are an estimated 1,050 contracts (1,600 members) currently enrolled in one BCBSVT association health plan that will be affected by this filing.
- The formula and factors in this filing will produce a premium *decrease* of 0.3 percent for an association health plan that is manually-rated using none of its own experience data.
- The result for any specific association health plan may differ from a 0.3 percent decrease, depending on the plan's own claims experience.

Reasons for the change in factors. The primary reasons for premium increases due to the change in factors is that the cost of providing health care to our members is increasing. Specifically:

- BCBSVT is proposing a paid trend of 6.8 percent for medical claims, which includes hospital unit cost increases and anticipated changes in the use of services. The medical trend is driven primarily by large increases that were approved for Vermont hospitals in the most recent round of budget reviews.
- BCBSVT is proposing a pharmacy trend of 11.6 percent. Increases in the cost and availability of high-cost "specialty" medications are the biggest driver of pharmacy trend.

Other items also contribute to the change in factors, including:

- Due to increases in base administrative expenses, premiums are going up 1.0 percent.
- The contribution to reserves established in this filing is required to maintain a level of policyholder reserves that is in compliance with that ordered by the Vermont Department of Financial Regulation.

Our efforts to reduce premium increases. We know that paying for health insurance is a struggle for many, and we strive to keep premiums as low as possible. The proposed factors reflect our efforts to reduce rate increases, including launching Vermont Blue Rx, an innovative prescription drug benefit service that will improve the consumer experience, drive better health outcomes, and lower costs for members, providers, and employers.

Our experience in this market. Since this is a new line of business, BCBSVT does not have historical experience in this market.

BLUE CROSS BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING
PLAIN LANGUAGE SUMMARY

Our health care system must be adequately funded to keep it strong and accessible. Since the factors that determine premiums are primarily the cost and utilization of health care, we believe that there is no way to further reduce the filed factors without underfunding the health care coverage on which Vermonters rely.

Public comment. Members of the public can submit comments to the Green Mountain Care Board about this rate request. For more information, please visit the Board's Public Comment page:
https://ratereview.vermont.gov/public_comment

MEMORANDUM

To: Paul Schultz, Chief Actuary

From: Ruth Greene, VP and CFO

Date: February 9, 2021

Subject: Administrative Charges and Contribution to Policyholder Reserves for Q3 2021 Large Group Rating Program Filings

Upon consideration of the points documented in this memorandum, I am directing you to file as follows for the Q3 2021 BCBSVT and TVHP Large Group Rating Program Filings and the 2022 Association Health Plan Filing:

1. A contribution to policyholder reserves (CTR) of 1.5 percent for BCBSVT insured groups, 2.0 percent for TVHP insured groups, and 0.375 percent for Cost Plus groups; and
2. Exclude from the filing any explicit claims costs related to the COVID-19 pandemic.

Overall CTR Philosophy

BCBSVT holds that a long-term CTR of 1.5 percent represents an adequate, yet not excessive, contribution to policyholder reserves. CTR at this level within a typical trend and growth environment allows us to navigate short-term fluctuations in order to maintain surplus levels that are within our established, modest target range.

BCBSVT believes that CTR should be managed to an adequate long-term level rather than fluctuating significantly from year to year with changes in membership and health care cost trend. For this reason, we file a CTR equal to our long-term target. It is our expectation that our future filings will also include contribution to policyholder reserves equal to this target. While the long-term CTR target may exceed or fall below that required to maintain our surplus position in any given year, maintaining an adequate long-term assumption will allow the market to avoid rate shocks in years of high growth in projected claims costs.

The impact of the ongoing pandemic on financial results is one example of a short-term fluctuation. In order to remain in the target range and provide stability to its policyholders, BCBSVT's CTR philosophy looks beyond a single year of experience to establish the required levels.

Should the outlook for BCBSVT's surplus level fail to fall within our target range, we would adjust our filed CTR accordingly. That is, in the event that surplus is projected to materially exceed our targeted range, we would reduce our filed CTR from the long-term rate, all else being equal. Similarly, in the

absence of mitigating factors, we would file a CTR that exceeds the long-term rate should surplus project to fall materially below our target range.

Adequately funded premiums are the foundation of solvency, the most important element of consumer protection. An adequate long-term contribution to policyholder reserves should exceed the minimum required to keep pace with increases in total claims costs. While best estimate assumptions are by definition expected to lead to equal likelihood of gains and losses, unexpected events or periods of sustained losses may lead to financial deterioration of sufficient magnitude to threaten a company's solvency.

Apart from modest investment income, CTR is the only source of funding that sustains policyholder reserves for BCBSVT. While any rating program filing is by definition an estimate of future costs and is therefore subject to gains or losses, BCBSVT files no additional margin beyond the required CTR. Any rate shortfall will first be paid out of CTR, while any shortfall beyond the approved CTR for a particular filing will be funded from existing policyholder reserves (i.e. surplus).

Maintaining an adequate surplus level is critical for any insurer. Consequences of low surplus include reduced flexibility in responding to customer needs (for instance, a restricted ability to give payment flexibility to customers during an economic crisis), a need for higher margins in rates in order to avoid further deterioration, and a reduced ability to attract or retain business or to support membership growth. Stability is particularly important in times of change, including the continuing evolution at both the federal and Vermont levels of the individual and small group market, the health care reform environment in Vermont, and the ongoing COVID-19 crisis.

BCBSVT must remain financially strong in order to continue to provide Vermonters with access to high quality care, outstanding member experiences, and responsible cost management. Realizing a sustainable CTR over time is key to achieving that goal.

Risk Based Capital Outlook

On February 7, 2019, the Commissioner of the Vermont Department of Financial Regulation (DFR) issued an order approving a target Risk Based Capital (RBC) range of 590 percent to 745 percent. The order states, in part:

“If BCBSVT’s RBC ratio falls below or increases above the approved range, BCBSVT shall promptly develop a plan to move within the range within a reasonable time and shall submit such plan to the Commissioner.”

BCBSVT’s RBC outlook is materially impacted by two outstanding, one-time receivable items that are not admitted as assets under statutory accounting rules.

First, as a result of the Tax Cuts and Jobs Act enacted in late 2017, BCBSVT’s alternative minimum tax (AMT) credit balance continues to be returned by the IRS. The CARES Act of 2020 included provisions for accelerating the timing of the outstanding AMT refund. BCBSVT expects to receive a final payment of the full remaining balance of the AMT credit by Q2 of 2021. Assuming that the credits are refunded to BCBSVT in accordance with the provisions set out in the Tax Cuts and Jobs Act and the CARES Act, these funds will be used for the direct benefit of our customers as they are received from the IRS.

Second, BCBSVT has retained counsel to sue the federal government to recover the unpaid 2017 and 2018 CSR funding. This lawsuit has been decided in our favor, but the speed to recovery has yet to be determined. The federal government currently has 5 months to decide on next steps, meaning that resolution of this payment may linger into late 2021.

With the addition of the above receivable items, BCBSVT expects to be just below the target RBC range by the end of 2021. We note that, all else being equal, it is better to be near the middle of the target RBC range rather than at an end point, as this minimizes the probability of falling out of the range and triggering a required corrective market action¹.

We do not intend to waver from our CTR philosophy while within the target range, which will generally have the effect of very modestly increasing RBC when near the low end of the target range and very modestly decreasing RBC when approaching the high end of the target range. BCBSVT expects to be sufficiently close to the bottom end of its mandated RBC range by year-end 2021 to be comfortable holding to a long-term approach to CTR.

Finally, the Tax Cuts and Jobs Act also resulted in the BCBSVT legal entity being no longer subject to federal income taxes (note that BCBSVT subsidiaries continue to be taxable). The savings resulting from the elimination of BCBSVT's annual federal tax obligation have been passed on directly to our customers in premium rates through the reduction of our long-term CTR to 1.5 percent from its historical level of 2.0 percent².

COVID-19

During this difficult time, BCBSVT's primary responsibility to Vermonters is to maintain continuity of coverage and claims payments for the duration of the COVID-19 crisis. This understanding necessitates that we continue to rate appropriately so that we can provide flexibility to customers and providers who are struggling financially.

As explored in our 2021 individual and small group filing, BCBSVT has long maintained that a pandemic is one reason to hold surplus. Given that the designed function of policyholder reserves is to weather the types of uncertainties created by a pandemic without resorting to extreme rate fluctuations, any increased cost in 2021 and 2022 due explicitly to the COVID-19 pandemic will be funded through policyholder reserves. Specifically, we do not intend to pass ongoing vaccine costs through to policyholders in 2022. Said differently, I am comfortable that the filed CTR of 1.5 percent will yield our targeted financial outcome in the event that the COVID-19 pandemic is responsible for 2022 claims increases beyond those projected in the filing.

Conclusion

In consideration of all the above, I direct you to file a 1.5 percent CTR for the Q3 2021 BCBSVT Large Group Rating Program Filing and the 2022 Association Health Plan Filing, to file a 2.0 percent CTR for the Q3 2021 TVHP Large Group Rating Program Filing, to file a 0.375 percent CTR for Cost Plus business, and to exclude direct COVID-19 costs from claims projections.

¹ The Axene Health Partners RBC study indicates that the point within the target RBC range from which it is least likely to fall outside the range within a one-year period is 690 percent.

² Because TVHP remains taxable at the federal level, its long-term CTR target is 2 percent.

BCBSVT Specialty Medicines List

As of: December 01, 2020

Helpful Tip: To search for a specific drug, use the find feature (Ctrl + F)

AVAILABLE AT ESI?	PRODUCT	MANUFACTURER	SP CHANNEL	DISEASE STATE
YES	ABRAXANE	CELGENE	LIMITED DISTRIBUTION	CANCER
YES	ACTEMRA	GENENTECH	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	ACTHAR	MALLINCKRODT	LIMITED DISTRIBUTION	MISCELLANEOUS CNS DISORDERS
YES	ACTIMMUNE	HORIZON	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	ADAGEN	LEADIAN	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
YES	ADCETRIS	SEATTLE GENETICS	LIMITED DISTRIBUTION	CANCER
YES	ADEMPAS	BAYER	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
YES	ADVATE	BAXALTA	LIMITED DISTRIBUTION	HEMOPHILIA
YES	ADYNOVATE	BAXALTA	LIMITED DISTRIBUTION	HEMOPHILIA
YES	AFSTYLA	CSL	LIMITED DISTRIBUTION	HEMOPHILIA
YES	ALDURAZYME	GENZYME	LIMITED LARGE	ENZYME DEFICIENCIES
YES	ALECENSA	GENENTECH	LIMITED DISTRIBUTION	CANCER
NO	ALIQUA	BAYER	LIMITED DISTRIBUTION	CANCER
YES	ALPHANATE	GRIFOLS	LIMITED DISTRIBUTION	HEMOPHILIA
YES	ALPHANINE SD	GRIFOLS	LIMITED DISTRIBUTION	HEMOPHILIA
YES	ALPROLIX	BIOGEN	LIMITED DISTRIBUTION	HEMOPHILIA
YES	ALUNBRIG	TAKEDA	LIMITED DISTRIBUTION	CANCER
YES	AMBRISANTAN	MYLAN, SUN, WATSON	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
YES	AMPYRA	ACORDA	LIMITED DISTRIBUTION	MULTIPLE SCLEROSIS
NO	ANASCORP	RARE DISEASE THERAPEUTICS	LIMITED DISTRIBUTION	SCORPION ENVENOMATION
YES	APOKYN	USWM	LIMITED DISTRIBUTION	MISCELLANEOUS CNS DISORDERS
YES	ARALAST NP	SHIRE	LIMITED SMALL	RESPIRATORY CONDITIONS
YES	ARCALYST	REGENERON	LIMITED DISTRIBUTION	CRYOPYRIN-ASSOCIATED PERIODIC SYNDROMES
YES	ARESTIN	ORAPharma	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	ARIKAYCE	INSMED	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	ARZERRA	GSK	LIMITED DISTRIBUTION	CANCER
Yes	ASCENIV	ADMA	LIMITED LARGE	IMMUNE DEFICIENCY
NO	ASPARLAS	SERVIER	LIMITED DISTRIBUTION	CANCER
YES	AUBAGIO	GENZYME	LIMITED DISTRIBUTION	MULTIPLE SCLEROSIS
YES	AVASTIN	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	AVEED	ENDO	LIMITED SMALL	ENDOCRINE DISORDERS
NO	AYVAKIT	BLUEPRINT MEDICINES	LIMITED DISTRIBUTION	CANCER
NO	AZEDRA	PROGENICS	LIMITED DISTRIBUTION	CANCER
Yes	BAFIERTAM	BANNER	LIMITED DISTRIBUTION	MULTIPLE SCLEROSIS
NO	BALVERSA	JANSSEN	EXCLUSIVE	CANCER
NO	BAVENCIO	EMD SERONO	LIMITED DISTRIBUTION	CANCER
NO	BELEODAQ	SPECTRUM	LIMITED DISTRIBUTION	CANCER
YES	BENEFIX	PFIZER	LIMITED DISTRIBUTION	HEMOPHILIA
YES	BENLYSTA SC	GSK	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	BERINERT	CSL	LIMITED DISTRIBUTION	HEREDITARY ANGIOEDEMA
Yes	BESPONSIA	PFIZER	LIMITED LARGE	CANCER
YES	BETHKIS	CHIESI	LIMITED DISTRIBUTION	CYSTIC FIBROSIS
YES	BIVIGAM	ADMA	LIMITED DISTRIBUTION	IMMUNE DEFICIENCY
NO	BLINCYTO	AMGEN	LIMITED DISTRIBUTION	CANCER
YES	BOSULIF	PFIZER	LIMITED LARGE	CANCER
NO	BRAFTOVI	ARRAY BIOPHARMA	LIMITED DISTRIBUTION	CANCER
NO	BRINEURA	BIOMARIN	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	BRUKINSA	BEIGENE	LIMITED DISTRIBUTION	CANCER
NO	CABLIVI	SANOFI	LIMITED DISTRIBUTION	BLOOD CELL DEFICIENCY
YES	CABOMETYX	EXELIXIS	LIMITED DISTRIBUTION	CANCER
YES	CALCIUM FOLINATE	TEVA	LIMITED DISTRIBUTION	CANCER
NO	CALQUENCE	ASTRAZENECA	LIMITED SMALL	CANCER
NO	CAPRELSA	SANOFI	LIMITED DISTRIBUTION	CANCER
YES	CARBAGLU	RECORDATI	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
YES	CAYSTON	GILEAD	LIMITED DISTRIBUTION	RESPIRATORY CONDITIONS

YES	CEREZYME	GENZYME	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
NO	CHENODAL	RETROPHIN	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	CHOLBAM	RETROPHIN	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	CIMZIA	UCB	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	CINRYZE	SHIRE	LIMITED DISTRIBUTION	HEREDITARY ANGIOEDEMA
NO	COAGADEX	BIO PRODUCTS LABORATORY	LIMITED DISTRIBUTION	HEMOPHILIA
Yes	COMETRIQ	EXELIXIS	LIMITED DISTRIBUTION	CANCER
NO	COPIKTRA	VERASTEM	LIMITED DISTRIBUTION	CANCER
YES	COSENTYX	NOVARTIS	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	COTELLIC	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	CRYSVITA	ULTRAGENYX	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
YES	CUTAQUIG	OCTAPHARMA	LIMITED DISTRIBUTION	PRIMARY IMMUNE DEFICIENCY
YES	CUVITRU	SHIRE	LIMITED DISTRIBUTION	PRIMARY IMMUNE DEFICIENCY
NO	CYSTADANE	RECORDATI	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
NO	CYSTADROPS	RECORDATI	LIMITED DISTRIBUTION	OPHTHALMIC CONDITIONS
NO	CYSTAGON	MYLAN	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	CYSTARAN	LEADIANT	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	CYTOGAM	CSL	LIMITED DISTRIBUTION	IVIG - IMMUNE DEFICIENCY
YES	DACOGEN	EISAI	LIMITED DISTRIBUTION	CANCER
NO	DARAPRIM	TURING	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	DAURISMO	PFIZER	LIMITED LARGE	CANCER
NO	DEFERIPRONE	TARO	LIMITED DISTRIBUTION	IRON TOXICITY
NO	DEFITELIO	JAZZ	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	DIACOMIT	BIOCODEX	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	DOJOLVI	ULTRAGENYX	LIMITED DISTRIBUTION	0
YES	DOPTELET	DOVA	LIMITED DISTRIBUTION	BLOOD CELL DEFICIENCY
YES	DUOPA	ABBVIE	LIMITED DISTRIBUTION	NEUROLOGY
YES	DURYSTA	ALLERGAN	LIMITED DISTRIBUTION	OPHTHALMIC CONDITIONS
YES	DYSPORT	IPSEN	LIMITED DISTRIBUTION	NEUROMUSCULAR CONDITIONS/COSMETIC
YES	EGRIFTA	THERATECHNOLOGIES	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	ELAPRASE	SHIRE	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
YES	ELELYSO	PFIZER	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
YES	ELOCTATE	BIOGEN	LIMITED DISTRIBUTION	HEMOPHILIA
NO	ELZONRIS	STEMLINE	LIMITED DISTRIBUTION	CANCER
YES	EMFLAZA	PTC THERAPEUTICS	LIMITED DISTRIBUTION	DUCHENNE'S MUSCULAR DYSTROPHY
NO	ENDARI	EMMAUS	LIMITED DISTRIBUTION	BLOOD CELL DEFICIENCY
YES	ENHERTU	DAIICHI SANKYO	LIMITED DISTRIBUTION	CANCER
YES	ENSPRYNG	Roche	LIMITED LARGE	MISCELLANEOUS DISEASES
YES	EPIDIOLEX	GW Pharmaceuticals	LIMITED DISTRIBUTION	SEIZURES
YES	EPOPROSTENOL	TEVA	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
YES	ERBITUX	BMS	LIMITED DISTRIBUTION	CANCER
YES	ERIVEDGE	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	ERLEADA	JANSSEN	LIMITED DISTRIBUTION	CANCER
YES	ESBRIET	ROCHE	LIMITED DISTRIBUTION	IPF
YES	ESPEROCT	NOVO NORDISK	LIMITED LARGE	HEMOPHILIA
NO	EVOMELA	SPECTRUM	LIMITED DISTRIBUTION	CANCER
YES	EVRYSDI	GENENTECH	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	EXJADE	NOVARTIS	LIMITED DISTRIBUTION	IRON TOXICITY
NO	EXONDYS 51	SAREPTA	LIMITED DISTRIBUTION	DUCHENNE'S MUSCULAR DYSTROPHY
YES	EYLEA	REGENERON	LIMITED DISTRIBUTION	OPHTHALMIC CONDITIONS
YES	FABRAZYME	GENZYME	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
YES	FASENRA	ASTRAZENECA	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	FEIBA	BAXALTA	LIMITED DISTRIBUTION	HEMOPHILIA
NO	FENSOLVI	TOLMAR	LIMITED SMALL	ENDOCRINE DISORDERS
NO	FERRIPROX	CHIESI	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	FIBRYGA	OCTAPHARMA	LIMITED DISTRIBUTION	HEMOPHILIA
NO	FINTEPLA	ZOGENIX	LIMITED DISTRIBUTION	SEIZURES
YES	FIRAZYR	SHIRE	LIMITED DISTRIBUTION	HEREDITARY ANGIOEDEMA
NO	FIRDAPSE	CATALYST	EXCLUSIVE	MUSCULAR DYSTROPHY
YES	FLOLAN	GSK	LIMITED SMALL	PULMONARY HYPERTENSION
YES	FOLOTYN	ALLOS	LIMITED DISTRIBUTION	CANCER

NO	fulvestrant	SANDOZ	LIMITED DISTRIBUTION	Cancer
YES	GALAFOLD	AMICUS	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
NO	GAMIFANT	SOBI	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	GAMMAGARD	SHIRE	LIMITED DISTRIBUTION	IMMUNE DEFICIENCY
YES	GAMUNEX-C	GRIFOLS	LIMITED DISTRIBUTION	IMMUNE DEFICIENCY
YES	GATTEX	SHIRE	LIMITED DISTRIBUTION	SHORT BOWEL SYNDROME
NO	GAVRETO	BLUEPRINT MEDICINES	LIMITED SMALL	CANCER
YES	GAZYVA	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	GILOTRIF	BOEHRINGER	LIMITED DISTRIBUTION	CANCER
YES	GIVLAARI	ALNYLAM	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	GLASSIA	SHIRE	LIMITED DISTRIBUTION	RESPIRATORY CONDITIONS
NO	GOCOVRI	ADAMAS	LIMITED DISTRIBUTION	NEUROLOGY
YES	HAEGARDA	CSL	LIMITED DISTRIBUTION	HEREDITARY ANGIOEDEMA
NO	HEMANGEOL	PIERRE FABRE	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	HEMLIBRA	ROCHE	LIMITED DISTRIBUTION	HEMOPHILIA
YES	HEMOFIL	BAXALTA	LIMITED DISTRIBUTION	HEMOPHILIA
YES	HERCEPTIN	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	HERCEPTIN HYLECT	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	HETLIOZ	VANDA	LIMITED DISTRIBUTION	MISC SPECIALTY CONDITIONS
YES	HIZENTRA	CSL	LIMITED DISTRIBUTION	IMMUNE DEFICIENCY
YES	HUMATE-P	CSL	LIMITED DISTRIBUTION	HEMOPHILIA
YES	HUMIRA (PEDIATRIC	ABBVIE	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	HYCAMTIN	NOVARTIS	LIMITED DISTRIBUTION	CANCER
YES	HYQVIA	SHIRE	LIMITED DISTRIBUTION	IMMUNE DEFICIENCY
YES	IBRANCE	PFIZER	LIMITED DISTRIBUTION	CANCER
NO	ICLUSIG	TAKEDA	LIMITED DISTRIBUTION	CANCER
YES	IDELVION	CSL	LIMITED DISTRIBUTION	HEMOPHILIA
YES	IDHIFA	CELGENE	LIMITED DISTRIBUTION	CANCER
YES	ILARIS	NOVARTIS	LIMITED DISTRIBUTION	CRYOPYRIN-ASSOCIATED PERIODIC SYNDROMES
YES	ILUMYA	SUN PHARMA	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	ILUVIEN	ALIMERA	LIMITED DISTRIBUTION	DIABETIC MACULAR EDEMA
NO	IMBRUVICA	ABBVIE	LIMITED SMALL	CANCER
YES	IMFINZI	ASTRAZENECA	LIMITED DISTRIBUTION	CANCER
NO	IMLYGIC	AMGEN	LIMITED DISTRIBUTION	CANCER
NO	INBRIJA	ACORDA	LIMITED DISTRIBUTION	PARKISON's DISEASE
YES	INCRELEX	IPSEN	LIMITED DISTRIBUTION	GROWTH DEFICIENCY
NO	INGREZZA	NEUROCRINE	LIMITED DISTRIBUTION	NEUROLOGY
YES	INLYTA	PFIZER	LIMITED DISTRIBUTION	CANCER
YES	INQOVI	TAIHO/OTSUKA	LIMITED DISTRIBUTION	CANCER
YES	INREBIC	CELGENE	LIMITED DISTRIBUTION	CANCER
YES	INTRON A	MERCK	LIMITED DISTRIBUTION	CANCER / HEP C
YES	IRESSA	ASTRAZENECA	LIMITED DISTRIBUTION	CANCER
NO	ISTURISA	NOVARTIS	LIMITED DISTRIBUTION	CUSHINGS DISEASE
YES	IXEMPRA	BMS	LIMITED DISTRIBUTION	CANCER
YES	IXINITY	EMERGENT BIOSOLUTIONS	LIMITED LARGE	HEMOPHILIA
YES	JAKAFI	INCYTE	LIMITED DISTRIBUTION	CANCER
NO	JELMYTO	UROGEN	LIMITED DISTRIBUTION	CANCER
NO	JETREA	THROMBOGENICS	LIMITED SMALL	VITREOMACULAR ADHESION
YES	JIVI	BAYER	LIMITED DISTRIBUTION	HEMOPHILIA
YES	JUXTAPID	AMRYT	LIMITED DISTRIBUTION	HOFH
NO	JYNARQUE	OTSUKA	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	KADCYLA	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	KALBITOR	SHIRE	LIMITED DISTRIBUTION	HEREDITARY ANGIOEDEMA
YES	KALYDECO	VERTEX	LIMITED DISTRIBUTION	CYSTIC FIBROSIS
YES	KANUMA	ALEXION	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	KEPIVANCE	SOBI	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
NO	KEVEYIS	TARO	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	KINERET	SOBI	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	KITABIS	PARI	LIMITED DISTRIBUTION	CYSTIC FIBROSIS
YES	KOATE-DVI	KEDRION	LIMITED DISTRIBUTION	HEMOPHILIA
YES	KOGENATE	BAYER	LIMITED DISTRIBUTION	HEMOPHILIA

NO	KORLYM	CORCEPT	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
NO	KOSELUGO	ASTRAZENECA	LIMITED DISTRIBUTION	CANCER
YES	KOVALTRY	BAYER	LIMITED DISTRIBUTION	HEMOPHILIA
YES	KUVAN	BIOMARIN	LIMITED LARGE	ENDOCRINE DISORDERS
NO	KYLEENA	BAYER	LIMITED DISTRIBUTION	FERTILITY
NO	KYMRIAH	NOVARTIS	LIMITED DISTRIBUTION	CANCER
YES	KYPROLIS	CELGENE	LIMITED DISTRIBUTION	CANCER
YES	LEMTRADA	GENZYME	LIMITED DISTRIBUTION	MULTIPLE SCLEROSIS
YES	LENVIMA	EISAI	LIMITED DISTRIBUTION	CANCER
YES	LETAIRIS	GILEAD	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
NO	LIBTAYO	REGENERON	LIMITED DISTRIBUTION	CANCER
YES	LILETTA	ACTAVIS	LIMITED DISTRIBUTION	FERTILITY
YES	LONSURF	TAIHO/OTSUKA	LIMITED DISTRIBUTION	CANCER
YES	LORBRENA	PFIZER	LIMITED DISTRIBUTION	CANCER
YES	LUCENTIS	GENENTECH	LIMITED DISTRIBUTION	OPHTHALMIC CONDITIONS
YES	LUMIZYME	GENZYME	LIMITED LARGE	ENZYME DEFICIENCIES
NO	LUMOXITI	ASTRAZENECA	EXCLUSIVE	CANCER
NO	LUTATHERA	NOVARTIS (Advanced Acceleration A	LIMITED DISTRIBUTION	CANCER
YES	LUXTURN	SPARK	LIMITED DISTRIBUTION	OPHTHALMIC CONDITIONS
YES	LYNPARZA	ASTRAZENECA	LIMITED DISTRIBUTION	CANCER
YES	MACRILEN	AEREMA	LIMITED DISTRIBUTION	GROWTH DEFICIENCY
NO	MATULANE	LEADIANT	LIMITED DISTRIBUTION	CANCER
YES	MAVENCLAD	EMD SERONO	LIMITED DISTRIBUTION	MULTIPLE SCLEROSIS
YES	MAYZENT	NOVARTIS	LIMITED DISTRIBUTION	MULTIPLE SCLEROSIS
YES	MEKINIST	NOVARTIS	LIMITED LARGE	CANCER
NO	MEKTOVI	ARRAY BIOPHARMA	LIMITED DISTRIBUTION	CANCER
YES	MEPSEVII	ULTRAGENYX	EXCLUSIVE	ENZYME DEFICIENCIES
NO	METOPIRONE	HRA-PHARMA	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
NO	MIRCERA	HOFFMAN LA ROCHE	LIMITED DISTRIBUTION	RENAL CONDITIONS
NO	MIRENA	BAYER	LIMITED DISTRIBUTION	FERTILITY
YES	MONONINE	CSL	LIMITED DISTRIBUTION	HEMOPHILIA
NO	MOPNJUVI	MORPHOSYS/INCYTE	EXCLUSIVE	CANCER
YES	MOZOBIL	SANOFI	LIMITED DISTRIBUTION	CANCER
YES	MYALEPT	AMRYT	LIMITED DISTRIBUTION	LIPODYSTROPHY
NO	MYCAPSSA	CHIASMA	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
Yes	MYLOTARG	PFIZER	LIMITED DISTRIBUTION	CANCER
YES	NAGLAZYME	BIOMARIN	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
YES	NATPARA	SHIRE	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
YES	NERLYNX	PUMA	LIMITED DISTRIBUTION	CANCER
YES	NEXAVAR	BAYER	LIMITED DISTRIBUTION	CANCER
YES	NEXPLANON	Merck	LIMITED DISTRIBUTION	CONTRACEPTIVE
YES	NINLARO	TAKEDA	LIMITED DISTRIBUTION	CANCER
YES	nitisinone	NOVITIUM	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
Yes	NITYR	CYCLE	LIMITED DISTRIBUTION	METABOLIC DISORDERS
YES	NORTHERA	LUNDBECK	LIMITED DISTRIBUTION	ORTHOSTATIC HYPOTENSION
NO	NOURIANZ	KYOWA KIRIN	LIMITED DISTRIBUTION	PARKISON's DISEASE
YES	NOVOEIGHT	NOVO NORDISK	LIMITED DISTRIBUTION	HEMOPHILIA
YES	NOVOSEVEN RT	NOVO NORDISK	LIMITED DISTRIBUTION	HEMOPHILIA
YES	NUBEQA	BAYER	LIMITED DISTRIBUTION	CANCER
YES	NUCALA	GSK	LIMITED DISTRIBUTION	ALLERGY
YES	NUPLAZID	ACADIA	LIMITED DISTRIBUTION	NEUROLOGY
YES	NUWIQ	OCTAPHARMA	LIMITED DISTRIBUTION	HEMOPHILIA
YES	OCALIVA	INTERCEPT	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	OCREVUS	GENENTECH	LIMITED DISTRIBUTION	MULTIPLE SCLEROSIS
YES	OFEV	BOEHRINGER	LIMITED DISTRIBUTION	IPF
YES	OLUMIANT	LILLY	LIMITED LARGE	INFLAMMATORY CONDITIONS
YES	ONCASPAR	SHIRE	LIMITED DISTRIBUTION	CANCER
NO	ONIVYDE	MERRIMACK	LIMITED DISTRIBUTION	CANCER
NO	ONPATTRO	ALNYLAM	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	OPSUMIT	JANSSEN	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
NO	ORALAIR	GREER	LIMITED DISTRIBUTION	ALLERGY

YES	ORENITRAM	UNITED THERAPUEUTICS	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
NO	ORFADIN	SOBI	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
YES	ORKAMBI	VERTEX	LIMITED DISTRIBUTION	CYSTIC FIBROSIS
NO	ORTHOCLONE OKT-3	JANSSEN	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	OSMOLEX ER	OSMOTICA	EXCLUSIVE	MISCELLANEOUS SPECIALTY CONDITIONS
YES	OXBRYTA	GLOBAL BLOOD	LIMITED DISTRIBUTION	SICKLE CELL DISEASE
YES	OXERVATE	Dompe	LIMITED DISTRIBUTION	OPHTHALMIC CONDITIONS
YES	PALFORZIA	AIMMUNE	LIMITED DISTRIBUTION	ALLERGY
YES	PALYNZIQ	BIOMARIN	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
NO	PARAGARD	TEVA	LIMITED DISTRIBUTION	FERTILITY
NO	PEMAZYRE	INCYTE	LIMITED DISTRIBUTION	CANCER
YES	PERJETA	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	PHESGO	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	POLIVY	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	POMALYST	CELGENE	LIMITED DISTRIBUTION	CANCER
NO	POTELIGEO	KYOWA KIRIN	LIMITED DISTRIBUTION	CANCER
NO	PRIALT	TeraSera	LIMITED DISTRIBUTION	PAIN MANAGEMENT
YES	PRIVIGEN	CSL	LIMITED LARGE	IMMUNE DEFICIENCY
YES	PROBUPHINE	Titan	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	PROCYSBI	HORIZON	LIMITED DISTRIBUTION	METABOLIC DISORDERS
YES	PROFILNINE	GRIFOLS	LIMITED DISTRIBUTION	HEMOPHILIA
NO	PROLASTIN C	GRIFOLS	EXCLUSIVE	RESPIRATORY CONDITIONS
YES	PROMACTA	GSK	LIMITED DISTRIBUTION	BLOOD CELL DEFICIENCY
NO	PROVENGE	DENDREON	LIMITED DISTRIBUTION	CANCER
NO	PURIXAN	RARE DISEASE THERAPEUTICS	LIMITED DISTRIBUTION	CANCER
NO	QINLOCK	DECIPHERA	LIMITED DISTRIBUTION	CANCER
NO	RADICAVA	MITSUBISHI TANABE	LIMITED DISTRIBUTION	NEUROLOGY
YES	RAVICTI	HORIZON	LIMITED SMALL	UREA CYCLE DISORDERS
YES	REBINYN	NOVO NORDISK	LIMITED DISTRIBUTION	HEMOPHILIA
NO	REBLOZYL	CELGENE	LIMITED DISTRIBUTION	BLOOD CELL DEFICIENCY
YES	RECOMBINATE	BAXALTA	LIMITED DISTRIBUTION	HEMOPHILIA
YES	REMODULIN	UNITED THERAPUEUTICS	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
Yes	RETEVMO	LILLY	LIMITED DISTRIBUTION	CANCER
NO	REVCovi	LEADIAN	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
YES	REVLIMID	CELGENE	LIMITED DISTRIBUTION	CANCER
YES	RIASTAP	CSL	LIMITED DISTRIBUTION	HEMOPHILIA
YES	RINVOQ	ABBVIE	LIMITED DISTRIBUTION	IMMUNE DEFICIENCY
YES	RITUXAN	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	RITUXAN-HYCELA	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	RIXUBIS	BAXALTA	LIMITED DISTRIBUTION	HEMOPHILIA
YES	ROZLYTREK	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	RUBRACA	CLOVIS ONCOLOGY	LIMITED DISTRIBUTION	CANCER
YES	RUCONEST	SALIX	LIMITED DISTRIBUTION	HEREDITARY ANGIOEDEMA
No	RUZURGI	JACOBUS	LIMITED DISTRIBUTION	MUSCULAR DYSTROPHY
YES	SABRIL	LUNDBECK	LIMITED DISTRIBUTION	MISCELLANEOUS CNS DISORDERS
YES	SAMSCA	OTSUKA	LIMITED DISTRIBUTION	HEMATOLOGY
NO	SARCLISA	SANOFI	LIMITED SMALL	CANCER
NO	SCENESSE	CLINUVEL	EXCLUSIVE	MISCELLANEOUS SPECIALTY CONDITIONS
YES	SIGNIFOR	RECORDATI	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
YES	SIGNIFOR LAR	RECORDATI	EXCLUSIVE	ENDOCRINE DISORDERS
NO	SINUVA	INTERSECT ENT	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	SIRTURO	JANSSEN	OTHER	INFECTIOUS DISEASE
NO	SKYLA	BAYER	LIMITED DISTRIBUTION	FERTILITY
NO	sodium hyaluronate	TEVA	LIMITED DISTRIBUTION	OSTEOARTHRITIS
YES	SOLESTA	PALETTE	LIMITED DISTRIBUTION	MISCELLANEOUS DISORDER
YES	SOLIRIS	ALEXION	LIMITED DISTRIBUTION	BLOOD CELL DEFICIENCY
YES	SOMATULINE DEPOT	IPSEN	LIMITED LARGE	ENDOCRINE DISORDERS
YES	SOMAVERT	PFIZER	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
YES	SPINRAZA	BIOGEN	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	SPRIX	ZYLA LIFE SCIENCES	LIMITED DISTRIBUTION	PAIN MANAGEMENT
YES	STIVARGA	BAYER	LIMITED DISTRIBUTION	CANCER

NO	STRENSIQ	ALEXION	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	SUBLOCADE	INDIVIOR	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	SUCRAID	QOL	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
YES	SUPPRELIN LA	ENDO	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
YES	SUTENT	PFIZER	LIMITED DISTRIBUTION	CANCER
YES	SYLVANT	JANSSEN	LIMITED DISTRIBUTION	MISCELLANEOUS
YES	SYMDEKO	VERTEX	LIMITED DISTRIBUTION	CYSTIC FIBROSIS
YES	SYNAGIS	SOBI	LIMITED DISTRIBUTION	RSV PREVENTION
NO	SYNRIBO	TEVA	LIMITED DISTRIBUTION	CANCER
YES	TAFINLAR	NOVARTIS	LIMITED DISTRIBUTION	CANCER
YES	TAGRISSO	ASTRAZENECA	LIMITED DISTRIBUTION	CANCER
YES	TAKHZYRO	SHIRE	LIMITED DISTRIBUTION	HEREDITARY ANGIOEDEMA
YES	TALTZ	LILLY	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	TALZENNA	PFIZER	LIMITED DISTRIBUTION	CANCER
YES	TARCEVA	GENENTECH	LIMITED DISTRIBUTION	CANCER
NO	TAVALISSE	RIGEL	LIMITED SMALL	BLOOD CELL DEFICIENCY
NO	TAZVERIK	EPIZYME	LIMITED DISTRIBUTION	CANCER
NO	TECARTUS	KITE	LIMITED DISTRIBUTION	CANCER
YES	TECENTRIQ	GENENTECH	LIMITED LARGE	CANCER
YES	TECFIDERA	BIOGEN	LIMITED LARGE	MULTIPLE SCLEROSIS
YES	TEGSEDI	IONIS	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	TEPEZZA	HORIZON	LIMITED DISTRIBUTION	OPHTHALMIC CONDITIONS
NO	TESTOPEL	ENDO	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
YES	THALOMID	CELGENE	LIMITED DISTRIBUTION	CANCER
NO	THIOLA	RETROPHIN	LIMITED DISTRIBUTION	KIDNEY STONES
YES	THYROGEN	GENZYME	LIMITED DISTRIBUTION	CANCER
NO	TIBSOVO	AGIOS	LIMITED DISTRIBUTION	CANCER
YES	TRACLEER	JANSSEN	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
YES	treprostinil	SANDOZ	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
YES	TRIKAFTA	VERTEX	LIMITED DISTRIBUTION	CYSTIC FIBROSIS
NO	TRIPTODUR	ARBOR	LIMITED DISTRIBUTION	ENDOCRINE DISORDERS
NO	TRODELVY	IMMUNOMEDICS	LIMITED DISTRIBUTION	CANCER
YES	TROGARZO	THERATECHNOLOGIES & TAIMED E	LIMITED DISTRIBUTION	INFECTIOUS DISEASE
NO	TUKYSA	SEATTLE GENETICS	LIMITED DISTRIBUTION	CANCER
NO	TURALIO	DAIICHI SANKYO	LIMITED DISTRIBUTION	CANCER
YES	TYKERB	NOVARTIS	LIMITED DISTRIBUTION	CANCER
YES	TYSABRI	BIOGEN	LIMITED LARGE	MULTIPLE SCLEROSIS
YES	TYVASO	UNITED THERAPUETICS	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
NO	UNITUXIN	UNITED THERAPUETICS	LIMITED DISTRIBUTION	CANCER
NO	UPLIZNA	VIELA	LIMITED DISTRIBUTION	INFLAMMATORY CONDITIONS
YES	UPTRAVI	JANSSEN	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
YES	VALCHLOR	Helsinn	LIMITED DISTRIBUTION	CANCER
YES	VALSTAR	ENDO	LIMITED DISTRIBUTION	CANCER
NO	VALTOCO	NEURELIS	EXCLUSIVE	SEIZURES
YES	VANTAS	ENDO	LIMITED DISTRIBUTION	CANCER
NO	VARITHENA	BOSTON SCIENTIFIC	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	VELETRI	JANSSEN	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
NO	VENCLEXTA	ABBVIE	LIMITED DISTRIBUTION	CANCER
YES	VENTAVIS	JANSSEN	LIMITED DISTRIBUTION	PULMONARY HYPERTENSION
YES	VERZENIO	LILLY	LIMITED DISTRIBUTION	CANCER
YES	VIDAZA	CELGENE	LIMITED DISTRIBUTION	CANCER
YES	VIGABATRIN	ENDO	LIMITED DISTRIBUTION	MISCELLANEOUS CNS DISORDERS
NO	VILTEPSO	NS PHARMA	LIMITED DISTRIBUTION	MUSCULAR DYSTROPHY
YES	VIMIZIM	BIOMARIN	LIMITED DISTRIBUTION	MORQUIO A SYNDROME
NO	VISTOGARD	WELLSTAT	LIMITED DISTRIBUTION	CANCER
YES	VISUDYNE	VALEANT	LIMITED DISTRIBUTION	OPHTHALMIC CONDITIONS
YES	VITRAKVI	BAYER	LIMITED DISTRIBUTION	CANCER
YES	VIZIMPRO	PFIZER	LIMITED DISTRIBUTION	CANCER
YES	VONVENDI	BAXALTA	LIMITED DISTRIBUTION	HEMOPHILIA
YES	VOTRIENT	NOVARTIS	LIMITED DISTRIBUTION	CANCER
YES	VPRIV	SHIRE	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES

YES	VUMERITY	BIOGEN	LIMITED DISTRIBUTION	MULTIPLE SCLEROSIS
NO	VYEPTI	LUNDBECK	LIMITED DISTRIBUTION	NEUROLOGY
NO	VYLEESI	AMAG	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	VYNDAMAX	PFIZER	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	VYNDAQEL	PFIZER	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	VYONDYS-53	SAREPTA	LIMITED DISTRIBUTION	MUSCULAR DYSTROPHY
NO	VYXEOS	JAZZ	LIMITED DISTRIBUTION	CANCER
YES	WAKIX	HARMONY	LIMITED DISTRIBUTION	NEUROLOGY
YES	WILATE	OCTAPHARMA	LIMITED DISTRIBUTION	HEMOPHILIA
YES	XALKORI	PFIZER	LIMITED DISTRIBUTION	CANCER
YES	XEMBIFY	GRIFOLS	LIMITED DISTRIBUTION	HEMOPHILIA
YES	XENAZINE	LUNDBECK	LIMITED DISTRIBUTION	MISCELLANEOUS CNS DISORDERS
NO	XERMELO	LEXICON	LIMITED SMALL	CANCER
NO	XIAFLEX	ENDO	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
NO	XOFIGO	BAYER	LIMITED DISTRIBUTION	CANCER
YES	XOLAIR	GENENTECH	LIMITED DISTRIBUTION	RESPIRATORY CONDITIONS
NO	XOSPATA	ASTELLAS	LIMITED DISTRIBUTION	CANCER
NO	XPOVIO	KARYOPHARM	LIMITED DISTRIBUTION	CANCER
YES	XTANDI	ASTELLAS / MEDIVATION	LIMITED DISTRIBUTION	CANCER
NO	XURIDEN	WELLSTAT	EXCLUSIVE	MISCELLANEOUS SPECIALTY CONDITIONS
YES	XYNTHA	PFIZER	LIMITED LARGE	HEMOPHILIA
YES	XYREM	JAZZ	LIMITED DISTRIBUTION	MISCELLANEOUS CNS DISORDERS
YES	XYWAV	JAZZ	EXCLUSIVE	MISCELLANEOUS CNS DISORDERS
YES	YERVOY	BMS	LIMITED LARGE	CANCER
NO	YESCARTA	KITE	OTHER	CANCER
NO	YONDELIS	JANSSEN	LIMITED DISTRIBUTION	CANCER
NO	YUTIQ	EYEPOINT PHARMACEUTICALS	OTHER	OPHTHALMIC CONDITIONS
YES	ZALTRAP	SANOFI	LIMITED DISTRIBUTION	CANCER
YES	ZAVESCA	JANSSEN	LIMITED DISTRIBUTION	ENZYME DEFICIENCIES
NO	ZECUITY	TEVA	LIMITED DISTRIBUTION	PAIN MANAGEMENT
NO	ZEJULA	GSK	LIMITED DISTRIBUTION	CANCER
YES	ZELBORAF	GENENTECH	LIMITED DISTRIBUTION	CANCER
YES	ZEMAIRA	CSL	LIMITED SMALL	RESPIRATORY CONDITIONS
YES	ZEPOSIA	BMS	LIMITED LARGE	MULTIPLE SCLEROSIS
NO	ZEPZELCA	JAZZ	LIMITED DISTRIBUTION	CANCER
NO	ZEVALIN	SPECTRUM	LIMITED DISTRIBUTION	CANCER
NO	ZILRETTA	FLEXION	LIMITED DISTRIBUTION	OSTEOARTHRITIS
YES	ZOLGENSMA	NOVARTIS	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS
YES	ZOLINZA	MERCK	LIMITED LARGE	CANCER
YES	ZORBTIVE	EMD SERONO	LIMITED DISTRIBUTION	GROWTH DEFICIENCY
NO	ZULRESSO	SAGE	LIMITED DISTRIBUTION	MISCELLANEOUS SPECIALTY CONDITIONS

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING

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Example Calculation of Projected Single Claims Rate for Active Members

Benefit-Adjusted Projected Single Claims Rate:

	Medical	Pharmacy	Total	
Experience Period Paid Claims	\$1,600,000	\$320,000		A
Experience Period Claims Amount above \$70,000 Pooling Limit	\$182,000	\$36,400		B
COVID-19 Related Claims	\$14,000	\$0		C
Capped Claims	\$1,404,000	\$283,600		D = A — B — C
Completion Factor	1.005	1.001		E
Completed Capped Claims	\$1,410,000	\$283,884		F = D x E
Expected Claims above \$70,000 Pooling Limit	\$168,000	\$33,600		G
Experience Adjustment Factor ¹	0.969	1.000		H
Adjusted Experience Period Claims	\$1,528,342	\$317,484		I = (F + G) x H
Experience Period Member Months	4,000	4,000		J
Adjusted Experience Period Claims PMPM	\$382.09	\$79.37		K = I ÷ J
Average Experience Period Seasonally Adjusted Benefit Relativity Factor	0.775	0.775		L
Demographic Normalization	1.000	1.000		M
Benefit-Adjusted Experience Period Single Claims Rate	\$492.70	\$102.35		N = K ÷ L * M
Trend	1.068	1.125		O
Trend Months	18	18		P
Trend Factor	1.104	1.193		Q = O ^ (P/12)
Projected Single Contract Rate	\$543.80	\$122.13	\$665.93	R = N x Q
Adjusted Manual Rate			\$720.50	S
Credibility factor			53%	T
Benefit-Adjusted Projected Single Claims Rate			\$691.33	U = (R x T) + { S x (1 — T) }
Credibility Calculation				
Active Member Months			4,000	a
Member Months for Full Credibility at \$70,000 Pooling Limit			14,002	b
Credibility			53%	c = (a / b) ^ 0.5

(1) Deferred/Returning Care Adjustment

Example Calculation of Projected Single Claims Rate for Medicare Primary Members

Benefit-Adjusted Projected Single Claims Rate:

	Medical	Pharmacy	Total	
Experience Period Paid Claims	\$16,000	\$24,000		A
COVID-19 Related Claims	\$400	\$0		B
Capped Claims	\$15,600	\$24,000		C = A — B
Completion Factor	1.011	1.001		D
Completed Capped Claims	\$15,800	\$24,024		E = C x D
Experience Adjustment Factor ¹	0.969	1.000		F
Adjusted Experience Period Claims	\$15,303	\$24,024		G = E x F
Experience Period Member Months	96	96		H
Adjusted Experience Period Claims PMPM	\$159.40	\$250.25		I = G ÷ H
Average Experience Period Seasonal Adjusted Benefit Relativity Factor	0.900	0.900		J
Demographic Normalization	1.000	1.000		K
Benefit-Adjusted Experience Period Single Claims Rate	\$177.12	\$278.06		L = I ÷ J * K
Trend	1.043	1.125		M
Trend Months	18	18		N
Trend Factor	1.065	1.193		O = M ^ (N/12)
Projected Single Contract Rate	\$188.66	\$331.79	\$520.45	P = L x O
Adjusted Manual Rate			\$512.72	Q
Credibility factor			11%	R
Benefit-Adjusted Projected Single Claims Rate			\$513.55	S = (P x R) + { Q x (1 — R) }
Credibility Calculation				
Medicare Primary Member Months			96	a
Member Months for Full Credibility			8,325	b
Credibility			11%	c = (a / b) ^ 0.5

Example Calculation of Projected Single Claims Rate for Active Members with Multiple Experience Periods

Benefit-Adjusted Projected Single Claims Rate:

Period Category Experience Period Start Experience Period End	A		B		C		Manual
	Medical 7/1/2020 6/30/2021	Pharmacy 7/1/2020 6/30/2021	Medical 3/1/2019 2/29/2020	Pharmacy 7/1/2019 6/30/2020	Medical 3/1/2018 2/28/2019	Pharmacy 7/1/2018 6/30/2019	
Paid Claims in Experience Period	\$1,600,000	\$320,000	\$1,500,000	\$300,000	\$1,360,000	\$272,000	A
Claims over \$70,000 Pooling Limit	\$182,000	\$36,400	\$321,000	\$64,200	\$80,000	\$16,000	B
COVID-19 Related Claims	\$14,000	\$0	\$0	\$0	\$0	\$0	C
Capped Claims	\$1,404,000	\$283,600	\$1,179,000	\$235,800	\$1,280,000	\$256,000	D = A — B — C
Completion Factor	1.005	1.001	1.001	1.000	1.000	1.000	E
Completed Capped Claims	\$1,410,000	\$283,884	\$1,180,000	\$236,000	\$1,280,000	\$256,000	F = D x E
Expected Claims above \$70,000 Pooling Limit	\$168,000	\$33,600	\$212,000	\$42,400	\$200,000	\$40,000	G
Experience Adjustment Factor ¹	0.969	1.000	1.000	1.000	1.000	1.000	H
Adjusted Experience Period Claims	\$1,528,342	\$317,484	\$1,392,000	\$278,400	\$1,480,000	\$296,000	I = (F + G) x H
Experience Period Member Months	4,000	4,000	4,100	4,050	3,900	3,950	J
Adjusted Experience Period Claims PMPM	\$382.09	\$79.37	\$339.51	\$68.74	\$379.49	\$74.94	K = I ÷ J
Average Experience Period Med/Rx Total Seasonally Adjusted							
Benefit Relativity Factor	0.775	0.775	0.750	0.750	0.760	0.760	L
Demographic Normalization	1.000	1.000	1.002	1.002	0.998	0.998	M
Benefit-Adjusted Experience Period Single Claims Rate	\$492.70	\$102.35	\$453.59	\$91.84	\$498.33	\$98.40	N = K ÷ L x M
Trend to Period A			1.054	1.056	1.085	1.247	O
Trend	1.062	1.132	1.062	1.132	1.062	1.132	P
Trend Months	18	18	18	18	18	18	Q
Trend Factor	1.094	1.204	1.154	1.272	1.187	1.204	R = O x P ^ (Q/12)
Projected Single Contract Rate	\$539.22	\$123.27	\$523.46	\$116.78	\$591.53	\$118.52	S = N x R
Credibility Calculation	A	B	C				Manual
Starting Residual	100.0%	46.6%	21.4%				10.1%
Active Member Months	4,000	4,100	4,050		3,900	3,950	T = 1 - Σ Y
Member Months for Full Credibility at \$70,000 Pooling Limit	14,002	14,002	14,002		14,002	14,002	U
Credibility	53.4%	54.1%	53.8%		52.8%	53.1%	V
Med/Rx Weights ²		77.8%	22.2%		77.8%	22.2%	W = (T / U) ^ 0.5
Rating Credibility	53.4%	25.2%	11.3%				X
							Y = Σ T x W x X _i
Projected Single Contract Rate	\$539.22	\$523.46	\$591.53		\$720.50		Z
Credibility	53.4%	25.2%	11.3%		10.1%		α
Benefit-Adjusted Projected Single Claims Rate	\$288.21	\$131.68	\$66.89		\$72.68		β = Z x α
Σ Benefit-Adjusted Projected Single Claims Rate	\$559.46						γ = Σ β

- (1) Deferred/Returning Care Adjustment
(2) Claim weights underlying BRV model

Example Calculation of Required Premium by Product and Tier
Illustrative Only

From Exhibit 1A : Active Benefit-Adjusted Projected Single Claims Rate (\$) **\$691.33**
Medicare Primary Benefit-Adjusted Projected Single Claims Rate (\$) **\$513.55**

Plan A		Single	2-Person	Family	Medicare Primary
Members per contract		1.000	2.000	3.940	1.000
BRV:	A	0.929	1.859	2.622	0.984
Projected Claims:	B1 = A x S	\$642.46	\$1,284.91	\$1,812.86	\$505.33
OneCare Coordination Fee	B2	\$3.25	\$6.50	\$12.81	
Projected Rx Rebate:	B3	-\$14.00	-\$28.00	-\$55.16	-\$14.00
Net Cost of Reinsurance:	B4	\$1.71	\$3.42	\$6.74	
Mandates and Assessments					
Vaccines for Vermonters	C1	\$2.50	\$5.00	\$9.85	\$2.50
Blueprint for Health	C2	\$6.01	\$12.02	\$23.68	
Health Care Claims Tax	C3 = 0.999% * B1	\$6.42	\$12.84	\$18.11	\$5.05
GMCB Billback	C4	\$2.31	\$4.62	\$9.10	\$2.31
NH Vaccines	C5	\$0.01	\$0.02	\$0.04	
NY GME	C6	\$0.02	\$0.04	\$0.08	
MGARA	C7	\$0.03	\$0.06	\$0.12	\$0.03
PCORI	C8	\$0.24	\$0.48	\$0.95	\$0.24
Administrative Charge	D	\$50.00	\$100.00	\$197.00	\$50.00
Commission (% premium)	E	3.00%			
Contribution to Reserve	F	1.50%			
Required Premium:	$H = [\sum(B_i) + \sum(C_i) + D] / (1 - E - F)$	\$733.98	\$1,467.97	\$2,132.11	\$577.45
Plan B		Single	2-Person	Family	Medicare Secondary
Members per contract		1.000	2.000	3.938	1.000
BRV:	A	1.023	2.046	2.887	1.046
Projected Claims:	B1 = A x S	\$707.23	\$1,414.47	\$1,995.65	\$537.17
OneCare Coordination Fee	B2	\$3.25	\$6.50	\$12.81	
Projected Rx Rebate:	B3	-\$14.00	-\$28.00	-\$55.16	-\$14.00
Net Cost of Reinsurance:	B4	\$1.71	\$3.42	\$6.74	
Mandates and Assessments					
Vaccines for Vermonters	C1	\$2.50	\$5.00	\$9.85	\$2.50
Blueprint for Health	C2	\$6.01	\$12.02	\$23.68	
Health Care Claims Tax	C3 = 0.999% * B1	\$7.07	\$14.13	\$19.94	\$5.37
GMCB Billback	C4	\$2.31	\$4.62	\$9.10	\$2.31
NH Vaccines	C5	\$0.01	\$0.02	\$0.04	
NY GME	C6	\$0.02	\$0.04	\$0.08	
MGARA	C7	\$0.03	\$0.06	\$0.12	\$0.03
PCORI	C8	\$0.24	\$0.48	\$0.95	\$0.24
Administrative Charge	D	\$50.00	\$100.00	\$197.00	\$50.00
Commission (% premium)	E	3.00%			
Contribution to Reserve	F	1.50%			
Required Premium:	$H = [\sum(B_i) + \sum(C_i) + D] / (1 - E - F)$	\$802.49	\$1,604.98	\$2,325.42	\$611.12

UNIT COST TREND SUMMARY

		Inpatient GMCB	Inpatient NH	Inpatient BlueCard	Inpatient Other	Inpatient Total	Outpatient GMCB	Outpatient NH	Outpatient BlueCard	Outpatient Other	Outpatient Total	Professional GMCB	Professional Community	Professional NH	Professional BlueCard	Professional Other	Professional Total	VT / GMCB	NH	Total BlueCard	Other	Total
VHP	Exp Period					41,609,258					77,264,631						56,199,920					175,073,809
	CY 2020					42,932,867					80,753,762						56,666,053					180,352,682
	YE 202106					43,850,543					83,346,034						57,341,528					184,538,104
	CY 2021					44,761,228					85,869,778						58,155,252					188,786,259
	CY 2022					46,375,930					90,403,907						59,506,854					196,286,691
	Exp % of Total					100.0%					100.0%						100.0%					100.0%
	Prj % of Total					100.0%					100.0%						100.0%					100.0%
IND	CY 2021 / CY 2020					4.3%					6.3%						2.6%					4.7%
	CY 2022 / CY 2021					3.6%					5.3%						2.3%					4.0%
	Annual Cost Trend					3.8%					5.6%						2.5%					4.2%
IND	Exp Period					41,609,258					77,264,631						56,199,920					175,073,809
	CY 2020					42,580,253					81,082,468						56,711,089					180,373,810
	YE 202106					43,592,013					83,762,663						57,404,603					184,759,279
	CY 2021					44,582,454					86,380,223						58,235,860					189,198,537
	CY 2022					45,741,811					91,343,890						59,625,606					196,711,308
	Exp % of Total					100.0%					100.0%						100.0%					100.0%
	Prj % of Total					100.0%					100.0%						100.0%					100.0%
TVHP	CY 2021 / CY 2020					4.7%					6.5%						2.7%					4.9%
	CY 2022 / CY 2021					2.6%					5.7%						2.4%					4.0%
	Annual Cost Trend					3.3%					5.9%						2.6%					4.3%
TVHP	Exp Period					41,609,258					77,264,631						56,199,920					175,073,809
	CY 2020					42,936,430					80,782,810						56,702,235					180,421,475
	YE 202106					43,873,708					83,396,465						57,395,641					184,665,814
	CY 2021					44,802,526					85,945,597						58,226,844					188,974,967
	CY 2022					46,445,715					90,556,033						59,616,425					196,618,173
	Exp % of Total					100.0%					100.0%						100.0%					100.0%
	Prj % of Total					100.0%					100.0%						100.0%					100.0%
TVHP	CY 2021 / CY 2020					4.3%					6.4%						2.7%					4.7%
	CY 2022 / CY 2021					3.7%					5.4%						2.4%					4.0%
	Annual Cost Trend					3.9%					5.6%						2.6%					4.3%

MEDICAL UTILIZATION TREND CALCULATION

Month	Membership	Original Allowed Claims (adjusted to the VHP network)			Adjusted Claims - Normalized for Contract Changes			ASF Normalization Factors		Working Day Normalization Factor		Adjusted Allowed Claims		
		Facility	Professional	Total Allowed Claims	Facility	Professional	Total Allowed Claims	Monthly ASF	ASF Normalization	Working Days	Working Day Normalization	Facility PMPM	Professional PMPM	Total PMPM
Mar-16	35,794	\$9,398,790	\$4,628,862	\$14,027,652	\$10,818,666	\$4,600,697	\$15,419,363	0.9954	1.0042	23	0.9167	\$278.22	\$118.31	\$396.53
Apr-16	35,749	\$8,888,259	\$4,248,500	\$13,136,759	\$10,200,251	\$4,229,925	\$14,430,176	0.9967	1.0029	21	1.0040	\$287.29	\$119.13	\$406.42
May-16	35,351	\$8,337,552	\$4,381,021	\$12,718,573	\$9,660,686	\$4,341,560	\$14,002,246	0.9983	1.0013	21	1.0040	\$274.72	\$123.46	\$398.18
Jun-16	35,282	\$8,413,320	\$4,302,659	\$12,715,979	\$9,726,449	\$4,286,738	\$14,013,188	0.9991	1.0005	22	0.9583	\$264.31	\$116.49	\$380.80
Jul-16	35,240	\$7,973,328	\$3,788,363	\$11,761,691	\$9,141,783	\$3,782,474	\$12,924,257	1.0000	0.9985	20	1.0542	\$273.35	\$113.10	\$386.45
Aug-16	35,219	\$8,587,948	\$4,333,945	\$12,921,893	\$9,850,465	\$4,321,763	\$14,172,229	1.0011	0.9985	23	0.9167	\$255.99	\$112.31	\$368.30
Sep-16	35,267	\$8,939,959	\$4,307,457	\$13,247,415	\$10,274,186	\$4,292,876	\$14,567,062	1.0011	0.9984	21	1.0040	\$292.03	\$122.02	\$414.05
Oct-16	35,468	\$8,668,964	\$4,512,130	\$13,181,095	\$9,930,133	\$4,485,740	\$14,415,873	1.0032	0.9964	21	1.0040	\$280.07	\$126.52	\$406.58
Nov-16	35,475	\$9,409,533	\$4,630,970	\$14,040,503	\$10,724,518	\$4,597,688	\$15,322,206	1.0026	0.9969	20	1.0542	\$317.71	\$136.21	\$453.92
Dec-16	35,064	\$9,787,609	\$4,724,972	\$14,512,582	\$11,170,681	\$4,693,028	\$15,863,709	1.0053	0.9943	21	1.0040	\$318.03	\$133.61	\$451.64
Jan-17	38,257	\$9,205,064	\$4,703,939	\$13,909,003	\$10,320,259	\$4,729,647	\$15,049,906	0.9932	1.0065	21	1.0040	\$272.58	\$124.92	\$397.50
Feb-17	38,200	\$8,455,009	\$4,286,027	\$12,741,036	\$9,484,681	\$4,275,191	\$13,759,872	0.9931	1.0066	20	1.0542	\$263.46	\$118.75	\$382.21
Mar-17	38,118	\$10,159,302	\$4,957,917	\$15,117,219	\$11,371,140	\$4,930,777	\$16,301,917	0.9951	1.0045	23	0.9167	\$274.68	\$119.11	\$393.78
Apr-17	38,137	\$8,913,625	\$4,644,945	\$13,558,569	\$9,978,189	\$4,635,154	\$14,613,343	0.9948	1.0048	20	1.0542	\$277.13	\$128.74	\$405.87
May-17	38,370	\$9,890,124	\$5,014,682	\$14,904,806	\$11,079,050	\$5,000,655	\$16,079,706	0.9960	1.0036	22	0.9583	\$277.70	\$125.34	\$403.04
Jun-17	38,439	\$9,668,650	\$4,839,226	\$14,507,876	\$10,808,661	\$4,829,641	\$15,638,303	0.9968	1.0028	22	0.9583	\$270.24	\$120.75	\$390.99
Jul-17	38,496	\$10,154,209	\$4,456,010	\$14,610,219	\$11,292,179	\$4,448,237	\$15,740,416	0.9962	1.0034	19	1.1096	\$326.59	\$128.65	\$455.25
Aug-17	38,539	\$8,422,423	\$4,761,621	\$13,184,044	\$9,400,212	\$4,741,011	\$14,141,223	0.9979	1.0017	23	0.9167	\$223.98	\$112.96	\$336.94
Sep-17	38,136	\$8,740,930	\$4,578,318	\$13,319,248	\$9,727,246	\$4,571,029	\$14,298,276	0.9986	1.0010	20	1.0542	\$269.15	\$126.48	\$395.63
Oct-17	38,151	\$11,141,711	\$5,184,903	\$16,326,613	\$12,194,745	\$5,163,487	\$17,358,232	0.9979	1.0017	22	0.9583	\$306.86	\$129.93	\$436.79
Nov-17	38,228	\$9,867,810	\$5,275,224	\$15,143,035	\$10,817,662	\$5,248,346	\$16,066,008	0.9988	1.0008	20	1.0542	\$298.53	\$144.84	\$443.37
Dec-17	38,182	\$11,153,137	\$4,906,260	\$16,059,397	\$12,184,469	\$4,891,288	\$17,075,757	0.9998	0.9997	20	1.0542	\$336.32	\$135.01	\$471.33
Jan-18	36,978	\$11,325,354	\$5,165,014	\$16,490,368	\$12,214,163	\$5,239,934	\$17,454,097	0.9953	1.0043	22	0.9583	\$317.90	\$136.38	\$454.28
Feb-18	36,971	\$9,976,572	\$4,576,182	\$14,552,753	\$10,761,017	\$4,643,431	\$15,404,448	0.9966	1.0030	20	1.0542	\$307.76	\$132.80	\$440.56
Mar-18	36,982	\$9,706,194	\$4,905,033	\$14,611,226	\$10,458,245	\$4,972,678	\$15,430,922	0.9979	1.0017	22	0.9583	\$271.47	\$129.08	\$400.55
Apr-18	37,248	\$10,204,031	\$4,652,484	\$14,856,515	\$10,972,099	\$4,717,524	\$15,689,623	0.9978	1.0018	21	1.0040	\$296.26	\$127.38	\$423.64
May-18	37,388	\$10,047,107	\$5,024,478	\$15,071,584	\$10,806,715	\$5,091,517	\$15,898,231	0.9984	1.0012	22	0.9583	\$277.32	\$130.66	\$407.98
Jun-18	37,410	\$9,119,533	\$4,599,008	\$13,718,541	\$9,806,445	\$4,662,289	\$14,468,734	0.9996	1.0000	21	1.0040	\$263.17	\$125.12	\$388.30
Jul-18	38,131	\$9,149,846	\$4,719,925	\$13,869,772	\$9,769,995	\$4,785,030	\$14,555,025	0.9991	1.0005	21	1.0040	\$257.37	\$126.05	\$383.43
Aug-18	38,163	\$10,402,388	\$4,847,382	\$15,249,770	\$11,129,090	\$4,912,572	\$16,041,662	0.9998	0.9998	23	0.9167	\$267.27	\$117.98	\$385.25
Sep-18	38,042	\$9,328,743	\$4,573,308	\$13,902,051	\$9,973,351	\$4,635,311	\$14,608,663	1.0024	0.9972	19	1.1096	\$290.10	\$134.83	\$424.94
Oct-18	38,218	\$10,983,895	\$5,532,021	\$16,515,916	\$11,620,475	\$5,574,726	\$17,195,201	1.0022	0.9974	23	0.9167	\$278.00	\$133.37	\$411.37
Nov-18	38,553	\$10,009,282	\$4,954,545	\$14,963,827	\$10,591,554	\$4,992,051	\$15,583,605	1.0022	0.9974	20	1.0542	\$288.87	\$136.15	\$425.02
Dec-18	38,504	\$11,106,025	\$5,211,902	\$16,317,927	\$11,742,331	\$5,255,848	\$16,998,179	1.0030	0.9966	19	1.1096	\$337.25	\$150.95	\$488.20
Jan-19	37,151	\$11,465,854	\$5,206,164	\$16,672,018	\$11,994,278	\$5,222,586	\$17,216,864	0.9935	1.0061	22	0.9583	\$311.30	\$135.55	\$446.84
Feb-19	37,152	\$10,090,959	\$4,597,069	\$14,688,029	\$10,543,317	\$4,613,880	\$15,157,197	0.9942	1.0055	20	1.0542	\$300.80	\$131.63	\$432.43
Mar-19	37,161	\$10,803,910	\$4,998,081	\$15,801,991	\$11,272,174	\$5,017,303	\$16,289,477	0.9949	1.0047	21	1.0040	\$305.98	\$136.19	\$442.17
Apr-19	36,932	\$9,867,542	\$4,926,138	\$14,793,681	\$10,296,042	\$4,944,060	\$15,240,102	0.9963	1.0033	22	0.9583	\$268.04	\$128.71	\$396.75
May-19	36,891	\$10,148,535	\$4,954,481	\$15,103,016	\$10,581,192	\$4,970,317	\$15,551,509	0.9975	1.0021	22	0.9583	\$275.44	\$129.38	\$404.83
Jun-19	36,736	\$9,952,933	\$4,522,497	\$14,475,430	\$10,376,642	\$4,539,127	\$14,915,769	0.9971	1.0025	20	1.0542	\$298.51	\$130.58	\$429.09
Jul-19	36,287	\$10,763,548	\$4,782,726	\$15,546,273	\$11,156,658	\$4,801,865	\$15,958,522	0.9980	1.0016	21	1.0040	\$309.16	\$133.07	\$442.23
Aug-19	36,071	\$9,642,671	\$4,650,986	\$14,293,656	\$9,978,675	\$4,667,775	\$14,646,450	1.0003	0.9993	22	0.9583	\$264.92	\$123.92	\$388.84
Sep-19	35,934	\$9,033,213	\$4,461,968	\$13,495,181	\$9,344,413	\$4,477,492	\$13,821,905	1.0004	0.9992	21	1.0040	\$260.86	\$125.00	\$385.86
Oct-19	35,821	\$11,150,869	\$5,304,758	\$16,455,627	\$11,389,457	\$5,325,592	\$16,715,049	1.0021	0.9975	22	0.9583	\$303.95	\$142.12	\$446.08
Nov-19	36,018	\$9,177,138	\$4,482,655	\$13,659,792	\$9,344,609	\$4,500,193	\$13,844,801	1.0003	0.9993	19	1.1096	\$287.69	\$138.55	\$426.24
Dec-19	35,968	\$10,279,175	\$4,808,089	\$15,087,264	\$10,474,826	\$4,826,914	\$15,301,740	1.0009	0.9987	21	1.0040	\$292.01	\$134.56	\$426.57
Jan-20	32,805	\$8,932,569	\$4,334,972	\$13,267,541	\$8,938,654	\$4,334,972	\$13,273,627	0.9982	1.0014	22	0.9583	\$261.48	\$126.81	\$388.30
Feb-20	32,589	\$9,121,787	\$3,972,570	\$13,094,357	\$9,121,787	\$3,972,570	\$13,094,357	0.9996	1.0000	20	1.0542	\$295.07	\$128.50	\$423.57

YE February 2020 Average: 21.1 Annual Trend: -0.4% -0.1% -0.3%

MEDICAL UTILIZATION TREND CALCULATION

Utilization Trend Calculation - Facility - 48 Month

Month	Membership	Adjusted Allowed Claims PMPM	Logistic Regression		Linear Regression		Holt-Winters' Multiplicative		Holt-Winters' Additive		Double Exp Smoothing	
			Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM
Mar-16	35,794	\$278.22	\$280.39		\$281.35							
Apr-16	35,749	\$287.29	\$280.59		\$281.55						\$278.22	
May-16	35,351	\$274.72	\$280.78		\$281.74						\$278.40	
Jun-16	35,282	\$264.31	\$280.99		\$281.94						\$278.34	
Jul-16	35,240	\$273.35	\$281.18		\$282.14						\$278.07	
Aug-16	35,219	\$255.99	\$281.38		\$282.34						\$277.96	
Sep-16	35,267	\$292.03	\$281.59		\$282.54						\$277.49	
Oct-16	35,468	\$280.07	\$281.78		\$282.73						\$277.71	
Nov-16	35,475	\$317.71	\$281.98		\$282.93						\$277.71	
Dec-16	35,064	\$318.03	\$282.18		\$283.13						\$278.48	
Jan-17	38,257	\$272.58	\$282.38		\$283.33						\$279.32	
Feb-17	38,200	\$263.46	\$282.59	\$281.50	\$283.53	\$282.45					\$279.31	
Mar-17	38,118	\$274.68	\$282.77	\$281.70	\$283.71	\$282.65	\$278.22		\$278.22		\$279.10	
Apr-17	38,137	\$277.13	\$282.97	\$281.90	\$283.91	\$282.85	\$287.28		\$287.28		\$279.09	
May-17	38,370	\$277.70	\$283.17	\$282.10	\$284.10	\$283.05	\$274.71		\$274.71		\$279.12	
Jun-17	38,439	\$270.24	\$283.37	\$282.30	\$284.30	\$283.25	\$264.30		\$264.30		\$279.16	
Jul-17	38,496	\$326.59	\$283.57	\$282.50	\$284.50	\$283.44	\$273.34		\$273.34		\$279.04	
Aug-17	38,539	\$223.98	\$283.77	\$282.70	\$284.70	\$283.64	\$256.04		\$256.04		\$280.04	
Sep-17	38,136	\$269.15	\$283.98	\$282.89	\$284.90	\$283.83	\$292.04		\$292.04		\$279.06	
Oct-17	38,151	\$306.86	\$284.17	\$283.09	\$285.09	\$284.02	\$280.06		\$280.06		\$278.89	
Nov-17	38,228	\$298.53	\$284.38	\$283.28	\$285.29	\$284.21	\$317.74		\$317.74		\$279.46	
Dec-17	38,182	\$336.32	\$284.58	\$283.47	\$285.49	\$284.40	\$318.03		\$318.03		\$279.90	
Jan-18	36,978	\$317.90	\$284.78	\$283.67	\$285.69	\$284.60	\$272.60		\$272.60		\$281.14	
Feb-18	36,971	\$307.76	\$284.99	\$283.87	\$285.89	\$284.79	\$263.52	\$281.53	\$263.53	\$281.53	\$282.09	\$279.66
Mar-18	36,982	\$271.47	\$285.17	\$284.07	\$286.07	\$284.99	\$277.46	\$281.47	\$277.47	\$281.47	\$282.90	\$279.97
Apr-18	37,248	\$296.26	\$285.38	\$284.27	\$286.27	\$285.18	\$284.92	\$281.27	\$284.93	\$281.27	\$283.02	\$280.30
May-18	37,388	\$277.32	\$285.57	\$284.47	\$286.46	\$285.38	\$275.57	\$281.35	\$275.58	\$281.36	\$283.61	\$280.67
Jun-18	37,410	\$263.17	\$285.78	\$284.67	\$286.66	\$285.58	\$265.87	\$281.52	\$265.89	\$281.53	\$283.84	\$281.06
Jul-18	38,131	\$257.37	\$285.98	\$284.87	\$286.86	\$285.77	\$286.45	\$282.63	\$286.43	\$282.64	\$283.76	\$281.46
Aug-18	38,163	\$267.27	\$286.18	\$285.08	\$287.06	\$285.98	\$248.26	\$282.00	\$248.30	\$282.00	\$283.53	\$281.76
Sep-18	38,042	\$290.10	\$286.39	\$285.28	\$287.26	\$286.17	\$286.56	\$281.53	\$286.59	\$281.54	\$283.44	\$282.12
Oct-18	38,218	\$278.00	\$286.59	\$285.48	\$287.45	\$286.37	\$286.72	\$282.10	\$286.72	\$282.11	\$283.79	\$282.54
Nov-18	38,553	\$288.87	\$286.79	\$285.69	\$287.65	\$286.47	\$313.15	\$281.73	\$313.17	\$281.74	\$283.89	\$282.91
Dec-18	38,504	\$337.25	\$286.99	\$285.89	\$287.85	\$286.77	\$322.58	\$282.14	\$322.58	\$282.16	\$284.20	\$283.28
Jan-19	37,151	\$311.30	\$287.20	\$286.09	\$288.05	\$286.97	\$283.72	\$283.05	\$283.72	\$283.06	\$285.49	\$283.63
Feb-19	37,152	\$300.80	\$287.41	\$286.29	\$288.25	\$287.16	\$274.36	\$283.93	\$274.37	\$283.95	\$286.33	\$283.98
Mar-19	37,161	\$305.98	\$287.59	\$286.49	\$288.43	\$287.35	\$276.04	\$283.82	\$276.08	\$283.83	\$287.01	\$284.32
Apr-19	36,932	\$268.04	\$287.80	\$286.69	\$288.63	\$287.55	\$287.76	\$284.05	\$287.79	\$284.06	\$287.80	\$284.71
May-19	36,891	\$275.44	\$288.00	\$286.89	\$288.82	\$287.74	\$276.04	\$284.09	\$276.08	\$284.11	\$287.85	\$285.06
Jun-19	36,736	\$298.51	\$288.21	\$287.08	\$289.02	\$287.93	\$265.26	\$284.07	\$265.30	\$284.09	\$288.01	\$285.40
Jul-19	36,287	\$309.16	\$288.41	\$287.28	\$289.22	\$288.13	\$279.44	\$283.50	\$279.48	\$283.52	\$288.61	\$285.79
Aug-19	36,071	\$264.92	\$288.61	\$287.49	\$289.42	\$288.32	\$253.02	\$284.04	\$253.09	\$284.07	\$289.43	\$286.28
Sep-19	35,934	\$260.86	\$288.82	\$287.69	\$289.62	\$288.52	\$287.56	\$284.11	\$287.61	\$284.14	\$289.39	\$286.77
Oct-19	35,821	\$303.95	\$289.02	\$287.89	\$289.81	\$288.72	\$284.70	\$283.94	\$284.74	\$283.97	\$289.21	\$287.23
Nov-19	36,018	\$287.69	\$289.23	\$288.10	\$290.01	\$288.91	\$307.37	\$283.30	\$307.43	\$283.33	\$289.85	\$287.73
Dec-19	35,968	\$292.01	\$289.43	\$288.30	\$290.21	\$289.11	\$326.31	\$283.37	\$326.33	\$283.41	\$290.17	\$288.24
Jan-20	32,805	\$261.48	\$289.64	\$288.50	\$290.41	\$289.30	\$290.54	\$283.89	\$290.56	\$283.93	\$290.58	\$288.66
Feb-20	32,589	\$295.07	\$289.85	\$288.69	\$290.61	\$289.49	\$280.84	\$284.48	\$280.88	\$284.52	\$290.36	\$288.99
Mar-20	32,589		\$290.04	\$288.89	\$290.79	\$289.69	\$283.36	\$285.13	\$283.42	\$285.18	\$290.77	\$289.30
Apr-20	32,589		\$290.25	\$289.10	\$291.00	\$289.88	\$282.95	\$284.73	\$283.03	\$284.78	\$291.09	\$289.57
May-20	32,589		\$290.45	\$289.30	\$291.19	\$290.08	\$275.91	\$284.81	\$275.98	\$284.86	\$291.41	\$289.86
Jun-20	32,589		\$290.66	\$289.50	\$291.39	\$290.28	\$273.37	\$285.65	\$273.44	\$285.70	\$291.73	\$290.18
Jul-20	32,589		\$290.86	\$289.71	\$291.58	\$290.47	\$286.66	\$286.28	\$286.72	\$286.34	\$292.04	\$290.47
Aug-20	32,589		\$291.07	\$289.92	\$291.78	\$290.67	\$255.87	\$286.80	\$255.96	\$286.85	\$292.36	\$290.71
Sep-20	32,589		\$291.28	\$290.13	\$291.98	\$290.87	\$280.98	\$286.26	\$281.09	\$286.32	\$292.68	\$290.99
Oct-20	32,589		\$291.48	\$290.34	\$292.18	\$291.08	\$289.35	\$286.65	\$289.42	\$286.71	\$293.00	\$291.31
Nov-20	32,589		\$291.69	\$290.55	\$292.38	\$291.28	\$302.51	\$286.07	\$302.62	\$286.14	\$293.32	\$291.61
Dec-20	32,589		\$291.90	\$290.76	\$292.57	\$291.49	\$317.90	\$285.02	\$317.99	\$285.10	\$293.64	\$291.91
Jan-21	32,589		\$292.11	\$290.97	\$292.77	\$291.69	\$283.44	\$284.43	\$283.53	\$284.51	\$293.96	\$292.20
Feb-21	32,589		\$292.32	\$291.18	\$292.97	\$291.88	\$284.32	\$284.72	\$284.39	\$284.80	\$294.28	\$292.52
Mar-21	32,589		\$292.51	\$291.38	\$293.15	\$292.08	\$283.36	\$284.72	\$283.47	\$284.80	\$294.60	\$292.84
Apr-21	32,589		\$292.72	\$291.59	\$293.35	\$292.28	\$282.95	\$284.72	\$283.08	\$284.81	\$294.92	\$293.16
May-21	32,589		\$292.92	\$291.79	\$293.55	\$292.47	\$275.91	\$284.72	\$276.03	\$284.81	\$295.24	\$293.48
Jun-21	32,589		\$293.13	\$292.00	\$293.75	\$292.67	\$273.38	\$284.72	\$273.49	\$284.82	\$295.56	\$293.80
Jul-21	32,589		\$293.33	\$292.20	\$293.94	\$292.87	\$286.66	\$284.72	\$286.77	\$284.82	\$295.88	\$294.12
Aug-21	32,589		\$293.54	\$292.41	\$294.14	\$293.06	\$255.87	\$284.72	\$256.01	\$284.82	\$296.20	\$294.44
Sep-21	32,589		\$293.76	\$292.62	\$294.34	\$293.26	\$280.99	\$284.72	\$281.14	\$284.83	\$296.52	\$294.76
Oct-21	32,589		\$293.96	\$292.82	\$294.54	\$293.46	\$289.35	\$284.72	\$289.47	\$284.83	\$296.83	\$295.08
Nov-21	32,589		\$294.17	\$293.03	\$294.74	\$293.65	\$302.51	\$284.72	\$302.67	\$284.84	\$297.15	\$295.40
Dec-21	32,589		\$294.38	\$293.24	\$294.93	\$293.85	\$317.91	\$284.72	\$318.04	\$284.84	\$297.47	\$295.72
Jan-22	32,589		\$294.59	\$293.44	\$295.13	\$294.05	\$283.44	\$284.72	\$283.58	\$284.85	\$297.79	\$296.04
Feb-22	32,589		\$294.80	\$293.65	\$295.33	\$294.24	\$284.33	\$284.72	\$284.44	\$284.85	\$298.11	\$296.36
Mar-22	32,589		\$294.99	\$293.86	\$295.51	\$294.44	\$283.37	\$284.72	\$283.52	\$284.85	\$298.43	\$296.68
Apr-22	32,589		\$295.20	\$294.06	\$295.71	\$294.64	\$282.95	\$284.72	\$283.13	\$284.86	\$298.75	\$296.99
May-22	32,589		\$295.41	\$294.27	\$295.91	\$294.83	\$275.91	\$284.72	\$276.08	\$284.86	\$299.07	\$297.31
Jun-22	32,589		\$295.62	\$294.48	\$296.11	\$295.03	\$273.38	\$284.72	\$273.54	\$284.87	\$299.39	\$297.63
Jul-22	32,589		\$295.83	\$294.69	\$296.30	\$295.23	\$286.67	\$284.72	\$286.82	\$284.87	\$299.71	\$297.95
Aug-22	32,589		\$296.04	\$294.89	\$296.50	\$295.42	\$255.87	\$284.72	\$256.06	\$284.87	\$300.03	\$298.27
Sep-22	32,589		\$296.25	\$295.10	\$296.70	\$295.62	\$280.99	\$284.72	\$281.19	\$284.88	\$300.35	\$298.59
Oct-22	32,589		\$296.46	\$295.31	\$296.90	\$295.82	\$289.35	\$284.72	\$289.52	\$284.88	\$300.67	\$298.91
Nov-22	32,589		\$296.67	\$295.52	\$297.10	\$296.01	\$302.51	\$284.72	\$302.72	\$284.89	\$300.99	\$299.23
Dec-22	32,589		\$296.88	\$295.73	\$297.29	\$296.21	\$317.91	\$284.72	\$318.09	\$284.89	\$301.31	\$299.55

Utilization Trend	0.9%	0.8%	0.0%	0.0%	1.3%
RMSE (root mean square error)	17.84	18.01	24.05	24.05	23.47

MEDICAL UTILIZATION TREND CALCULATION

Utilization Trend Calculation - Facility - 36 Month

Month	Membership	Adjusted Allowed Claims PMPM	Logistic Regression		Linear Regression		Holt-Winters' Multiplicative		Holt-Winters' Additive		Double Exp Smoothing	
			Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM
Mar-17	38,118	\$274.68	\$284.34		\$285.89						\$274.68	
Apr-17	38,137	\$277.13	\$284.46		\$285.99						\$274.87	
May-17	38,370	\$277.70	\$284.59		\$286.07						\$275.09	
Jun-17	38,439	\$270.24	\$284.71		\$286.17						\$274.71	
Jul-17	38,496	\$326.59	\$284.83		\$286.26						\$278.82	
Aug-17	38,539	\$223.98	\$284.96		\$286.35						\$274.48	
Sep-17	38,136	\$269.15	\$285.08		\$286.44						\$274.06	
Oct-17	38,151	\$306.86	\$285.20		\$286.53						\$276.65	
Nov-17	38,228	\$298.53	\$285.33		\$286.62						\$278.39	
Dec-17	38,182	\$336.32	\$285.45		\$286.71						\$282.98	
Jan-18	36,978	\$317.90	\$285.57		\$286.80						\$285.75	
Feb-18	36,971	\$307.76	\$285.70	\$285.01	\$286.89	\$286.39					\$287.51	\$278.10
Mar-18	36,982	\$271.47	\$285.81	\$285.14	\$286.98	\$286.48	\$274.68		\$274.68		\$286.25	\$279.06
Apr-18	37,248	\$296.26	\$285.94	\$285.26	\$287.07	\$286.57	\$277.13		\$277.13		\$287.05	\$280.07
May-18	37,388	\$277.32	\$286.06	\$285.38	\$287.16	\$286.66	\$277.71		\$277.72		\$286.30	\$281.01
Jun-18	37,410	\$263.17	\$286.18	\$285.50	\$287.25	\$286.75	\$270.25		\$270.27		\$284.48	\$281.84
Jul-18	38,131	\$257.37	\$286.31	\$285.63	\$287.34	\$286.84	\$326.60		\$326.62		\$282.34	\$282.14
Aug-18	38,163	\$267.27	\$286.43	\$285.75	\$287.43	\$286.93	\$223.93		\$223.90		\$281.87	\$283.36
Sep-18	38,042	\$290.10	\$286.56	\$285.88	\$287.52	\$287.03	\$269.15		\$269.11		\$281.57	\$283.77
Oct-18	38,218	\$278.00	\$286.68	\$286.00	\$287.61	\$287.12	\$306.88		\$306.84		\$282.16	\$284.38
Nov-18	38,553	\$288.87	\$286.80	\$286.13	\$287.70	\$287.21	\$298.53		\$298.47		\$286.53	\$284.38
Dec-18	38,504	\$337.25	\$286.93	\$286.25	\$287.79	\$287.30	\$336.30		\$336.23		\$287.05	\$287.45
Jan-19	37,151	\$311.30	\$287.05	\$286.37	\$287.88	\$287.39	\$317.89		\$317.80		\$287.69	\$288.47
Feb-19	37,152	\$300.80	\$287.18	\$286.50	\$287.98	\$287.48	\$307.74	\$290.64	\$307.63	\$290.60	\$286.80	\$284.61
Mar-19	37,161	\$305.98	\$287.29	\$286.62	\$288.06	\$287.57	\$273.55	\$290.54	\$273.42	\$290.50	\$286.49	\$284.77
Apr-19	36,932	\$268.04	\$287.42	\$286.74	\$288.15	\$287.65	\$283.72	\$291.09	\$283.50	\$291.02	\$290.81	\$285.14
May-19	36,891	\$275.44	\$287.54	\$286.86	\$288.24	\$287.74	\$277.56	\$291.09	\$277.39	\$291.01	\$289.02	\$285.30
Jun-19	36,736	\$298.51	\$287.67	\$286.98	\$288.33	\$287.83	\$267.80	\$290.92	\$267.63	\$290.83	\$287.96	\$285.43
Jul-19	36,287	\$309.16	\$287.79	\$287.10	\$288.42	\$287.92	\$302.84	\$288.86	\$302.87	\$288.77	\$288.81	\$285.79
Aug-19	36,071	\$264.92	\$287.91	\$287.23	\$288.51	\$288.01	\$238.89	\$290.36	\$238.58	\$290.25	\$290.43	\$286.46
Sep-19	35,934	\$260.86	\$288.04	\$287.35	\$288.61	\$288.10	\$276.41	\$291.05	\$276.19	\$290.92	\$288.43	\$287.07
Oct-19	35,821	\$303.95	\$288.16	\$287.47	\$288.69	\$288.19	\$296.99	\$290.17	\$296.93	\$290.03	\$286.26	\$287.45
Nov-19	36,018	\$287.69	\$288.29	\$287.60	\$288.79	\$288.28	\$295.27	\$289.85	\$295.17	\$289.72	\$287.67	\$287.98
Dec-19	35,968	\$292.01	\$288.41	\$287.72	\$288.88	\$288.37	\$336.70	\$289.62	\$336.57	\$289.48	\$287.69	\$288.47
Jan-20	32,805	\$261.48	\$288.54	\$287.84	\$288.97	\$288.46	\$315.64	\$289.16	\$315.53	\$289.02	\$288.04	\$288.60
Feb-20	32,589	\$295.07	\$288.67	\$287.96	\$289.06	\$288.55	\$305.33	\$288.78	\$305.18	\$288.64	\$285.95	\$288.41
Mar-20	32,589		\$288.78	\$288.08	\$289.15	\$288.64	\$284.66	\$289.80	\$284.35	\$289.64	\$286.68	\$288.18
Apr-20	32,589		\$288.91	\$288.21	\$289.24	\$288.73	\$278.27	\$289.44	\$278.02	\$289.28	\$286.69	\$287.84
May-20	32,589		\$289.03	\$288.33	\$289.33	\$288.82	\$276.79	\$289.50	\$276.49	\$289.33	\$286.71	\$287.65
Jun-20	32,589		\$289.16	\$288.46	\$289.42	\$288.91	\$278.31	\$290.55	\$277.87	\$290.36	\$286.72	\$287.54
Jul-20	32,589		\$289.28	\$288.58	\$289.51	\$289.00	\$304.93	\$290.61	\$304.66	\$290.39	\$286.73	\$287.07
Aug-20	32,589		\$289.41	\$288.71	\$289.60	\$289.09	\$247.76	\$291.77	\$247.13	\$291.52	\$286.74	\$287.34
Sep-20	32,589		\$289.54	\$288.83	\$289.69	\$289.18	\$270.96	\$291.45	\$270.47	\$291.19	\$286.75	\$286.89
Oct-20	32,589		\$289.66	\$288.96	\$289.78	\$289.27	\$299.28	\$291.59	\$298.77	\$291.29	\$286.77	\$286.94
Nov-20	32,589		\$289.79	\$289.09	\$289.87	\$289.37	\$292.56	\$291.34	\$292.01	\$290.99	\$286.78	\$286.86
Dec-20	32,589		\$289.91	\$289.22	\$289.96	\$289.46	\$321.23	\$289.66	\$320.74	\$289.28	\$286.79	\$286.78
Jan-21	32,589		\$290.04	\$289.35	\$290.05	\$289.55	\$296.97	\$288.09	\$296.49	\$287.68	\$286.80	\$286.68
Feb-21	32,589		\$290.16	\$289.47	\$290.15	\$289.64	\$301.79	\$287.79	\$301.14	\$287.35	\$286.81	\$286.75
Mar-21	32,589		\$290.28	\$289.60	\$290.23	\$289.74	\$284.66	\$287.79	\$283.75	\$287.30	\$286.82	\$286.76
Apr-21	32,589		\$290.41	\$289.72	\$290.32	\$289.83	\$278.27	\$287.79	\$277.42	\$287.25	\$286.84	\$286.77
May-21	32,589		\$290.53	\$289.85	\$290.41	\$289.92	\$276.79	\$287.79	\$275.89	\$287.20	\$286.85	\$286.78
Jun-21	32,589		\$290.66	\$289.97	\$290.50	\$290.01	\$278.31	\$287.79	\$277.27	\$287.15	\$286.86	\$286.80
Jul-21	32,589		\$290.78	\$290.10	\$290.59	\$290.10	\$304.93	\$287.79	\$304.07	\$287.10	\$286.87	\$286.81
Aug-21	32,589		\$290.91	\$290.22	\$290.68	\$290.19	\$247.76	\$287.79	\$246.54	\$287.05	\$286.88	\$286.82
Sep-21	32,589		\$291.04	\$290.35	\$290.77	\$290.28	\$270.96	\$287.79	\$269.87	\$287.00	\$286.89	\$286.83
Oct-21	32,589		\$291.16	\$290.47	\$290.86	\$290.37	\$299.28	\$287.79	\$298.18	\$286.95	\$286.91	\$286.84
Nov-21	32,589		\$291.29	\$290.60	\$290.96	\$290.46	\$292.56	\$287.79	\$291.41	\$286.90	\$286.92	\$286.85
Dec-21	32,589		\$291.41	\$290.72	\$291.04	\$290.55	\$321.23	\$287.79	\$320.15	\$286.85	\$286.93	\$286.87
Jan-22	32,589		\$291.54	\$290.85	\$291.14	\$290.64	\$296.97	\$287.79	\$295.89	\$286.80	\$286.94	\$286.88
Feb-22	32,589		\$291.67	\$290.97	\$291.23	\$290.73	\$301.79	\$287.79	\$300.54	\$286.75	\$286.95	\$286.89
Mar-22	32,589		\$291.78	\$291.10	\$291.31	\$290.82	\$284.66	\$287.79	\$283.16	\$286.70	\$286.96	\$286.90
Apr-22	32,589		\$291.91	\$291.22	\$291.40	\$290.91	\$278.27	\$287.79	\$276.83	\$286.65	\$286.98	\$286.91
May-22	32,589		\$292.03	\$291.35	\$291.49	\$291.00	\$276.79	\$287.79	\$275.30	\$286.60	\$286.99	\$286.92
Jun-22	32,589		\$292.16	\$291.47	\$291.58	\$291.09	\$278.31	\$287.79	\$276.68	\$286.55	\$287.00	\$286.94
Jul-22	32,589		\$292.29	\$291.60	\$291.67	\$291.18	\$304.93	\$287.79	\$303.47	\$286.50	\$287.01	\$286.95
Aug-22	32,589		\$292.41	\$291.72	\$291.77	\$291.27	\$247.76	\$287.79	\$245.94	\$286.45	\$287.02	\$286.96
Sep-22	32,589		\$292.54	\$291.85	\$291.86	\$291.36	\$270.96	\$287.79	\$269.28	\$286.40	\$287.03	\$286.97
Oct-22	32,589		\$292.67	\$291.97	\$291.95	\$291.45	\$299.27	\$287.79	\$297.58	\$286.35	\$287.05	\$286.98
Nov-22	32,589		\$292.79	\$292.10	\$292.04	\$291.54	\$292.56	\$287.79	\$290.82	\$286.30	\$287.06	\$286.99
Dec-22	32,589		\$292.92	\$292.23	\$292.13	\$291.63	\$321.23	\$287.79	\$319.55	\$286.25	\$287.07	\$287.01
Utilization Trend			0.5%		0.4%		-0.1%		-0.3%		-0.2%	
RMSE (root mean square error)			17.67		17.76		26.54		26.53		25.25	

MEDICAL UTILIZATION TREND CALCULATION

Utilization Trend Calculation - Facility - 24 Month

Month	Membership	Adjusted Allowed Claims PMPM	Logistic Regression		Linear Regression		Holt-Winters' Multiplicative		Holt-Winters' Additive		Double Exp Smoothing	
			Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM
Mar-18	36,982	\$271.47	\$281.40		\$282.11						\$271.47	
Apr-18	37,248	\$296.26	\$281.74		\$282.44						\$276.58	
May-18	37,388	\$277.32	\$282.07		\$282.77						\$276.74	
Jun-18	37,410	\$263.17	\$282.41		\$283.11						\$273.95	
Jul-18	38,131	\$257.37	\$282.74		\$283.43						\$270.54	
Aug-18	38,163	\$267.27	\$283.08		\$283.77						\$269.86	
Sep-18	38,042	\$290.10	\$283.42		\$284.11						\$274.03	
Oct-18	38,218	\$278.00	\$283.75		\$284.44						\$274.85	
Nov-18	38,553	\$288.87	\$284.09		\$284.78						\$277.75	
Dec-18	38,504	\$337.25	\$284.42		\$285.10						\$290.02	
Jan-19	37,151	\$311.30	\$284.77		\$285.44						\$294.42	
Feb-19	37,152	\$300.80	\$285.11	\$283.26	\$285.78	\$283.95					\$295.76	\$278.75
Mar-19	37,161	\$305.98	\$285.42	\$283.59	\$286.08	\$284.27	\$271.47		\$271.47		\$297.89	\$280.91
Apr-19	36,932	\$268.04	\$285.77	\$283.91	\$286.42	\$284.60	\$296.30		\$296.29		\$291.76	\$282.16
May-19	36,891	\$275.44	\$286.10	\$284.25	\$286.75	\$284.92	\$277.33		\$277.33		\$288.42	\$283.11
Jun-19	36,736	\$298.51	\$286.44	\$284.58	\$287.09	\$285.25	\$263.18		\$263.18		\$290.52	\$284.49
Jul-19	36,287	\$309.16	\$286.78	\$284.91	\$287.41	\$285.58	\$257.41		\$257.41		\$294.38	\$286.48
Aug-19	36,071	\$264.92	\$287.12	\$285.24	\$287.75	\$285.91	\$267.37		\$267.37		\$288.33	\$288.04
Sep-19	35,934	\$260.86	\$287.47	\$285.58	\$288.09	\$286.24	\$290.21		\$290.19		\$282.68	\$288.82
Oct-19	35,821	\$303.95	\$287.80	\$285.92	\$288.42	\$286.57	\$278.07		\$278.06		\$287.22	\$290.75
Nov-19	36,018	\$287.69	\$288.15	\$286.26	\$288.75	\$286.90	\$288.97		\$288.95		\$287.08	\$289.90
Dec-19	35,968	\$292.01	\$288.49	\$286.60	\$289.08	\$287.24	\$337.37		\$337.34		\$287.22	\$290.75
Jan-20	32,805	\$261.48	\$288.83	\$286.93	\$289.42	\$287.56	\$311.36		\$311.34		\$288.22	\$290.62
Feb-20	32,589	\$295.07	\$289.18	\$287.26	\$289.76	\$287.88	\$300.81	\$286.25	\$300.79	\$286.24	\$282.73	\$289.69
Mar-20	32,589		\$289.51	\$287.59	\$290.07	\$288.21	\$295.94	\$288.29	\$305.89	\$289.04	\$285.28	\$288.82
Apr-20	32,589		\$289.86	\$287.93	\$290.41	\$288.53	\$276.23	\$286.65	\$268.04	\$286.78	\$285.30	\$287.75
May-20	32,589		\$290.20	\$288.27	\$290.74	\$288.86	\$275.99	\$286.64	\$275.42	\$286.73	\$285.31	\$287.20
Jun-20	32,589		\$290.55	\$288.61	\$291.08	\$289.20	\$288.22	\$288.86	\$298.42	\$289.75	\$285.32	\$286.95
Jul-20	32,589		\$290.88	\$288.95	\$291.40	\$289.53	\$294.05	\$292.07	\$309.00	\$294.17	\$285.34	\$286.50
Aug-20	32,589		\$291.23	\$289.30	\$291.74	\$289.87	\$265.54	\$292.14	\$264.81	\$294.19	\$285.35	\$285.70
Sep-20	32,589		\$291.59	\$289.65	\$292.08	\$290.21	\$269.32	\$290.46	\$260.82	\$291.84	\$285.36	\$285.44
Oct-20	32,589		\$291.93	\$290.00	\$292.41	\$290.55	\$296.35	\$292.05	\$303.82	\$294.06	\$285.38	\$285.68
Nov-20	32,589		\$292.28	\$290.36	\$292.74	\$290.89	\$287.97	\$292.00	\$287.59	\$293.99	\$285.39	\$285.53
Dec-20	32,589		\$292.62	\$290.72	\$293.07	\$291.24	\$305.11	\$288.92	\$292.00	\$289.84	\$285.40	\$285.37
Jan-21	32,589		\$292.97	\$291.07	\$293.41	\$291.58	\$275.95	\$285.96	\$261.53	\$285.68	\$285.42	\$285.13
Feb-21	32,589		\$293.32	\$291.41	\$293.75	\$291.91	\$296.73	\$285.62	\$295.07	\$285.20	\$285.43	\$285.36
Mar-21	32,589		\$293.64	\$291.76	\$294.05	\$292.24	\$295.94	\$285.62	\$305.89	\$285.20	\$285.44	\$285.37
Apr-21	32,589		\$294.00	\$292.10	\$294.39	\$292.57	\$276.23	\$285.62	\$268.04	\$285.20	\$285.46	\$285.38
May-21	32,589		\$294.34	\$292.45	\$294.72	\$292.90	\$275.99	\$285.62	\$275.42	\$285.20	\$285.47	\$285.40
Jun-21	32,589		\$294.70	\$292.79	\$295.06	\$293.24	\$288.22	\$285.62	\$298.42	\$285.20	\$285.48	\$285.41
Jul-21	32,589		\$295.04	\$293.14	\$295.38	\$293.57	\$294.05	\$285.62	\$309.00	\$285.20	\$285.50	\$285.42
Aug-21	32,589		\$295.39	\$293.48	\$295.72	\$293.90	\$265.54	\$285.62	\$264.81	\$285.20	\$285.51	\$285.44
Sep-21	32,589		\$295.75	\$293.83	\$296.06	\$294.23	\$269.32	\$285.62	\$260.82	\$285.20	\$285.52	\$285.45
Oct-21	32,589		\$296.10	\$294.18	\$296.39	\$294.56	\$296.35	\$285.62	\$303.82	\$285.20	\$285.54	\$285.46
Nov-21	32,589		\$296.45	\$294.53	\$296.72	\$294.89	\$287.97	\$285.62	\$287.59	\$285.20	\$285.55	\$285.48
Dec-21	32,589		\$296.80	\$294.88	\$297.05	\$295.22	\$305.11	\$285.62	\$292.00	\$285.20	\$285.57	\$285.49
Jan-22	32,589		\$297.16	\$295.22	\$297.39	\$295.56	\$275.95	\$285.62	\$261.53	\$285.20	\$285.58	\$285.50
Feb-22	32,589		\$297.51	\$295.57	\$297.73	\$295.89	\$296.73	\$285.62	\$295.07	\$285.20	\$285.59	\$285.52
Mar-22	32,589		\$297.84	\$295.92	\$298.03	\$296.22	\$295.94	\$285.62	\$305.89	\$285.20	\$285.61	\$285.53
Apr-22	32,589		\$298.20	\$296.27	\$298.37	\$296.55	\$276.24	\$285.62	\$268.04	\$285.20	\$285.62	\$285.55
May-22	32,589		\$298.54	\$296.62	\$298.70	\$296.88	\$275.99	\$285.62	\$275.42	\$285.20	\$285.63	\$285.56
Jun-22	32,589		\$298.90	\$296.97	\$299.03	\$297.21	\$288.22	\$285.62	\$298.42	\$285.20	\$285.65	\$285.57
Jul-22	32,589		\$299.25	\$297.32	\$299.36	\$297.55	\$294.05	\$285.62	\$309.00	\$285.20	\$285.66	\$285.59
Aug-22	32,589		\$299.61	\$297.68	\$299.70	\$297.88	\$265.54	\$285.62	\$264.81	\$285.20	\$285.67	\$285.60
Sep-22	32,589		\$299.97	\$298.03	\$300.04	\$298.21	\$269.32	\$285.62	\$260.82	\$285.20	\$285.69	\$285.61
Oct-22	32,589		\$300.32	\$298.38	\$300.36	\$298.54	\$296.35	\$285.62	\$303.82	\$285.20	\$285.70	\$285.63
Nov-22	32,589		\$300.69	\$298.73	\$300.70	\$298.87	\$287.97	\$285.62	\$287.59	\$285.20	\$285.71	\$285.64
Dec-22	32,589		\$301.04	\$299.09	\$301.03	\$299.20	\$305.11	\$285.62	\$292.00	\$285.20	\$285.73	\$285.65
Utilization Trend			1.4%		1.4%		-0.1%		-0.1%		-0.5%	
RMSE (root mean square error)			17.69		17.77		31.67		31.66		21.28	

MEDICAL UTILIZATION TREND CALCULATION

Utilization Trend Calculation - Professional - 48 Month

Month	Membership	Adjusted Allowed Claims PMPM	Logistic Regression		Linear Regression		Holt-Winters' Multiplicative		Holt-Winters' Additive		Double Exp Smoothing	
			Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM
Mar-16	35,794	\$118.31	\$121.13		\$121.29							
Apr-16	35,749	\$119.13	\$121.42		\$121.59						\$118.31	
May-16	35,351	\$123.46	\$121.71		\$121.89						\$118.77	
Jun-16	35,282	\$116.49	\$122.01		\$122.20						\$121.36	
Jul-16	35,240	\$113.10	\$122.29		\$122.50						\$118.67	
Aug-16	35,219	\$112.31	\$122.59		\$122.80						\$115.59	
Sep-16	35,267	\$122.02	\$122.89		\$123.11						\$113.78	
Oct-16	35,468	\$126.52	\$123.18		\$123.41						\$118.33	
Nov-16	35,475	\$136.21	\$123.48		\$123.71						\$122.85	
Dec-16	35,064	\$133.61	\$123.77		\$124.01						\$130.24	
Jan-17	38,257	\$124.92	\$124.07		\$124.32						\$132.11	
Feb-17	38,200	\$118.75	\$124.37	\$122.76	\$124.62	\$122.97					\$128.15	
Mar-17	38,118	\$119.11	\$124.64	\$123.06	\$124.90	\$123.28	\$118.31	\$118.31			\$122.97	
Apr-17	38,137	\$128.74	\$124.95	\$123.36	\$125.21	\$123.59	\$119.20	\$119.32			\$120.84	
May-17	38,370	\$125.34	\$125.24	\$123.66	\$125.50	\$123.89	\$124.42	\$125.94			\$125.21	
Jun-17	38,439	\$120.75	\$125.55	\$123.95	\$125.81	\$124.20	\$117.82	\$120.02			\$125.29	
Jul-17	38,496	\$128.65	\$125.84	\$124.25	\$126.11	\$124.50	\$115.00	\$117.92			\$122.79	
Aug-17	38,539	\$112.96	\$126.15	\$124.54	\$126.42	\$124.79	\$115.84	\$120.85			\$126.03	
Sep-17	38,136	\$126.48	\$126.45	\$124.83	\$126.72	\$125.09	\$126.59	\$131.17			\$118.82	
Oct-17	38,151	\$129.93	\$126.75	\$125.13	\$127.02	\$125.38	\$132.17	\$136.11			\$123.05	
Nov-17	38,228	\$144.84	\$127.06	\$125.42	\$127.33	\$125.68	\$143.08	\$145.35			\$126.86	
Dec-17	38,182	\$135.01	\$127.36	\$125.70	\$127.62	\$125.97	\$141.40	\$142.91			\$136.80	
Jan-18	36,978	\$136.38	\$127.67	\$126.00	\$127.93	\$126.26	\$132.58	\$132.58			\$135.83	
Feb-18	36,971	\$132.80	\$127.98	\$126.29	\$128.24	\$126.56	\$127.00	\$126.08	\$126.59	\$128.07	\$136.15	\$126.67
Mar-18	36,982	\$129.08	\$128.26	\$126.59	\$128.51	\$126.86	\$127.99	\$126.89	\$127.55	\$128.84	\$134.32	\$127.60
Apr-18	37,248	\$127.38	\$128.57	\$126.89	\$128.82	\$127.16	\$131.96	\$127.95	\$131.54	\$129.86	\$131.44	\$128.48
May-18	37,388	\$130.66	\$128.88	\$127.20	\$129.12	\$127.46	\$135.35	\$128.85	\$132.79	\$130.43	\$129.21	\$128.82
Jun-18	37,410	\$125.12	\$129.19	\$127.50	\$129.43	\$127.76	\$128.64	\$129.77	\$125.84	\$130.94	\$130.02	\$129.22
Jul-18	38,131	\$126.05	\$129.49	\$127.81	\$129.72	\$128.06	\$127.73	\$130.86	\$124.92	\$131.54	\$127.32	\$129.60
Aug-18	38,163	\$117.98	\$129.81	\$128.12	\$130.03	\$128.37	\$123.51	\$131.52	\$119.12	\$131.40	\$126.63	\$129.66
Sep-18	38,042	\$134.83	\$130.12	\$128.43	\$130.34	\$128.68	\$134.88	\$132.22	\$129.38	\$131.25	\$121.86	\$129.91
Oct-18	38,218	\$133.37	\$130.43	\$128.74	\$130.63	\$128.98	\$139.71	\$132.85	\$134.56	\$131.12	\$129.03	\$130.42
Nov-18	38,553	\$136.15	\$130.75	\$129.05	\$130.94	\$129.29	\$141.12	\$133.55	\$145.98	\$131.18	\$131.44	\$130.81
Dec-18	38,504	\$150.95	\$131.05	\$129.37	\$131.24	\$129.59	\$145.30	\$133.88	\$139.38	\$130.89	\$134.06	\$130.58
Jan-19	37,151	\$135.55	\$131.37	\$129.67	\$131.54	\$129.89	\$138.12	\$134.34	\$135.76	\$131.15	\$143.41	\$131.20
Feb-19	37,152	\$131.63	\$131.69	\$129.97	\$131.85	\$130.19	\$131.40	\$134.70	\$130.72	\$131.49	\$139.09	\$131.45
Mar-19	37,161	\$136.19	\$131.98	\$130.28	\$132.13	\$130.48	\$129.86	\$134.85	\$129.92	\$131.68	\$134.99	\$131.50
Apr-19	36,932	\$128.71	\$132.30	\$130.58	\$132.43	\$130.78	\$131.89	\$134.84	\$133.61	\$131.85	\$135.67	\$131.85
May-19	36,891	\$129.38	\$132.61	\$130.89	\$132.73	\$131.07	\$134.33	\$134.76	\$135.94	\$132.11	\$131.84	\$132.06
Jun-19	36,736	\$130.58	\$132.94	\$131.20	\$133.04	\$131.37	\$126.88	\$134.63	\$128.95	\$132.37	\$130.50	\$132.11
Jul-19	36,287	\$133.07	\$133.25	\$131.51	\$133.34	\$131.67	\$126.03	\$134.52	\$129.18	\$132.74	\$130.55	\$132.39
Aug-19	36,071	\$123.92	\$133.57	\$131.82	\$133.64	\$131.97	\$121.08	\$134.37	\$123.77	\$133.18	\$131.95	\$132.84
Sep-19	35,934	\$125.00	\$133.90	\$132.13	\$133.95	\$132.27	\$133.85	\$134.29	\$136.82	\$133.80	\$127.53	\$133.35
Oct-19	35,821	\$142.12	\$134.21	\$132.45	\$134.25	\$132.57	\$136.40	\$133.99	\$136.99	\$133.99	\$126.14	\$133.14
Nov-19	36,018	\$138.55	\$134.54	\$132.77	\$134.55	\$132.87	\$146.47	\$133.51	\$146.35	\$133.95	\$134.98	\$133.44
Dec-19	35,968	\$134.56	\$134.86	\$133.09	\$134.85	\$133.18	\$145.59	\$133.47	\$145.64	\$134.44	\$136.97	\$133.68
Jan-20	32,805	\$126.81	\$135.19	\$133.39	\$135.16	\$133.47	\$135.54	\$133.23	\$133.30	\$134.24	\$135.66	\$132.99
Feb-20	32,589	\$128.50	\$135.51	\$133.70	\$135.46	\$133.76	\$128.65	\$133.04	\$124.26	\$133.78	\$130.78	\$132.30
Mar-20	32,589		\$135.82	\$134.02	\$135.75	\$134.06	\$127.82	\$132.91	\$122.13	\$133.23	\$129.53	\$131.85
Apr-20	32,589		\$136.15	\$134.33	\$136.06	\$134.35	\$126.74	\$132.53	\$118.10	\$132.02	\$129.55	\$131.33
May-20	32,589		\$136.47	\$134.65	\$136.36	\$134.65	\$128.22	\$132.03	\$117.20	\$130.51	\$129.56	\$131.15
Jun-20	32,589		\$136.81	\$134.98	\$136.66	\$134.96	\$122.56	\$131.74	\$110.64	\$129.08	\$129.57	\$131.08
Jul-20	32,589		\$137.13	\$135.30	\$136.96	\$135.26	\$121.61	\$131.44	\$108.52	\$127.43	\$129.58	\$131.01
Aug-20	32,589		\$137.46	\$135.63	\$137.27	\$135.57	\$114.89	\$131.03	\$98.40	\$125.42	\$129.59	\$130.81
Sep-20	32,589		\$137.80	\$135.96	\$137.57	\$135.87	\$123.47	\$130.16	\$104.91	\$122.73	\$129.60	\$131.01
Oct-20	32,589		\$138.12	\$136.29	\$137.87	\$136.18	\$128.47	\$129.46	\$109.24	\$120.34	\$129.61	\$131.33
Nov-20	32,589		\$138.46	\$136.63	\$138.18	\$136.50	\$133.92	\$128.28	\$111.99	\$117.28	\$129.62	\$130.86
Dec-20	32,589		\$138.78	\$136.97	\$138.47	\$136.81	\$132.17	\$127.01	\$109.74	\$114.05	\$129.63	\$130.19
Jan-21	32,589		\$139.12	\$137.30	\$138.78	\$137.12	\$123.51	\$126.00	\$99.69	\$111.24	\$129.64	\$129.69
Feb-21	32,589		\$139.46	\$137.63	\$139.09	\$137.42	\$119.17	\$125.21	\$94.84	\$108.78	\$129.65	\$129.59
Mar-21	32,589		\$139.76	\$137.96	\$139.36	\$137.72	\$118.38	\$124.43	\$91.05	\$106.19	\$129.66	\$129.61
Apr-21	32,589		\$140.10	\$138.29	\$139.67	\$138.02	\$117.32	\$123.64	\$87.03	\$103.60	\$129.67	\$129.62
May-21	32,589		\$140.43	\$138.62	\$139.97	\$138.32	\$118.63	\$122.84	\$86.13	\$101.02	\$129.69	\$129.63
Jun-21	32,589		\$140.78	\$138.95	\$140.28	\$138.62	\$113.34	\$122.07	\$79.56	\$98.43	\$129.70	\$129.64
Jul-21	32,589		\$141.11	\$139.28	\$140.57	\$138.92	\$112.40	\$121.31	\$77.44	\$95.84	\$129.71	\$129.65
Aug-21	32,589		\$141.45	\$139.61	\$140.88	\$139.22	\$106.14	\$120.58	\$67.32	\$93.25	\$129.72	\$129.66
Sep-21	32,589		\$141.79	\$139.95	\$141.19	\$139.53	\$114.00	\$119.79	\$73.83	\$90.66	\$129.73	\$129.67
Oct-21	32,589		\$142.13	\$140.28	\$141.48	\$139.83	\$118.56	\$118.96	\$78.16	\$88.07	\$129.74	\$129.68
Nov-21	32,589		\$142.47	\$140.62	\$141.79	\$140.13	\$123.52	\$118.10	\$80.91	\$85.48	\$129.75	\$129.69
Dec-21	32,589		\$142.81	\$140.95	\$142.09	\$140.43	\$121.84	\$117.23	\$78.66	\$82.89	\$129.76	\$129.70
Jan-22	32,589		\$143.16	\$141.29	\$142.39	\$140.73	\$113.79	\$116.42	\$68.61	\$80.30	\$129.77	\$129.71
Feb-22	32,589		\$143.50	\$141.62	\$142.70	\$141.03	\$109.73	\$115.64	\$63.76	\$77.71	\$129.78	\$129.72
Mar-22	32,589		\$143.82	\$141.96	\$142.98	\$141.33	\$108.94	\$114.85	\$59.97	\$75.12	\$129.79	\$129.73
Apr-22	32,589		\$144.17	\$142.30	\$143.29	\$141.63	\$107.90	\$114.07	\$55.95	\$72.53	\$129.80	\$129.75
May-22	32,589		\$144.51	\$142.64	\$143.58	\$141.93	\$109.04	\$113.27	\$55.05	\$69.94	\$129.81	\$129.76
Jun-22	32,589		\$144.86	\$142.98	\$143.89	\$142.24	\$104.11	\$112.50	\$48.48	\$67.35	\$129.82	\$129.77
Jul-22	32,589		\$145.20	\$143.32	\$144.19	\$142.54	\$103.19	\$111.73	\$46.36	\$64.76	\$129.84	\$129.78
Aug-22	32,589		\$145.55	\$143.66	\$144.49	\$142.84	\$97.38	\$111.00	\$36.24	\$62.17	\$129.85	\$129.79
Sep-22	32,589		\$145.91	\$144.01	\$144.80	\$143.14	\$104.53	\$110.21	\$42.76	\$59.58	\$129.86	\$129.80
Oct-22	32,589		\$146.25	\$144.35	\$145.10	\$143.44	\$108.64	\$109.38	\$47.08	\$56.99	\$129.87	\$129.81
Nov-22	32,589		\$146.61	\$144.70	\$145.40	\$143.74	\$113.11	\$108.52	\$49.83	\$54.40	\$129.88	\$129.82
Dec-22	32,589		\$146.95	\$145.04	\$145.70	\$144.04	\$111.50	\$107.66	\$47.58	\$51.81	\$129.89	\$129.83
Utilization Trend			2.91%		2.64%		-7.19%		-28.42%		-0.66%	
RMSE (root mean square error)			5.90		5.91		6.02		5.93		7.37	

MEDICAL UTILIZATION TREND CALCULATION

Utilization Trend Calculation - Professional - 36 Month

Month	Membership	Adjusted Allowed Claims PMPM	Logistic Regression		Linear Regression		Holt-Winters' Multiplicative		Holt-Winters' Additive		Double Exp Smoothing	
			Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM
Mar-17	38,118	\$119.11	\$126.54		\$126.77						\$119.11	
Apr-17	38,137	\$128.74	\$126.75		\$126.99						\$123.27	
May-17	38,370	\$125.34	\$126.96		\$127.20						\$124.17	
Jun-17	38,439	\$120.75	\$127.18		\$127.41						\$122.70	
Jul-17	38,496	\$128.65	\$127.38		\$127.62						\$125.27	
Aug-17	38,539	\$112.96	\$127.60		\$127.84						\$119.96	
Sep-17	38,136	\$126.48	\$127.81		\$128.05						\$122.78	
Oct-17	38,151	\$129.93	\$128.02		\$128.26						\$125.87	
Nov-17	38,228	\$144.84	\$128.24		\$128.47						\$134.08	
Dec-17	38,182	\$135.01	\$128.45		\$128.68						\$134.50	
Jan-18	36,978	\$136.38	\$128.67		\$128.90						\$135.33	
Feb-18	36,971	\$132.80	\$128.89	\$127.70	\$129.11	\$127.94					\$134.25	\$126.71
Mar-18	36,982	\$129.08	\$129.08	\$127.91	\$129.31	\$128.14	\$119.11		\$119.11		\$129.35	\$127.78
Apr-18	37,248	\$127.38	\$129.30	\$128.12	\$129.52	\$128.35	\$129.16		\$129.35		\$130.03	\$128.35
May-18	37,388	\$130.66	\$129.51	\$128.33	\$129.73	\$128.57	\$125.69		\$125.83		\$130.31	\$128.86
Jun-18	37,410	\$125.12	\$129.73	\$128.55	\$129.95	\$128.78	\$121.27		\$121.54		\$128.08	\$129.32
Jul-18	38,131	\$126.05	\$129.94	\$128.77	\$130.15	\$128.99	\$129.37		\$129.66		\$127.21	\$129.49
Aug-18	38,163	\$117.98	\$130.16	\$128.98	\$130.37	\$129.21	\$113.48		\$113.75		\$123.23	\$129.77
Sep-18	38,042	\$134.83	\$130.38	\$129.20	\$130.58	\$129.42	\$127.26		\$127.53		\$128.25	\$130.23
Oct-18	38,218	\$133.37	\$130.60	\$129.42	\$130.79	\$129.63	\$131.03		\$131.42		\$130.47	\$130.62
Nov-18	38,553	\$136.15	\$130.82	\$129.64	\$131.01	\$129.85	\$146.17		\$146.45		\$132.94	\$130.52
Dec-18	38,504	\$150.95	\$131.03	\$129.85	\$131.22	\$130.06	\$135.89		\$136.00		\$132.94	\$130.52
Jan-19	37,151	\$135.55	\$131.25	\$130.07	\$131.43	\$130.27	\$137.87		\$138.28		\$140.74	\$131.04
Feb-19	37,152	\$131.63	\$131.48	\$130.28	\$131.65	\$130.48	\$134.16	\$129.24	\$134.54	\$129.49	\$138.52	\$131.30
Mar-19	37,161	\$136.19	\$131.68	\$130.49	\$131.84	\$130.69	\$126.10	\$129.81	\$126.29	\$130.08	\$135.56	\$131.41
Apr-19	36,932	\$128.71	\$131.90	\$130.70	\$132.06	\$130.89	\$129.32	\$129.82	\$129.80	\$130.11	\$135.85	\$131.72
May-19	36,891	\$129.38	\$132.12	\$130.92	\$132.26	\$131.10	\$129.84	\$130.17	\$130.17	\$130.47	\$132.78	\$131.94
Jun-19	36,736	\$130.58	\$132.34	\$131.13	\$132.48	\$131.31	\$124.51	\$130.44	\$124.83	\$130.75	\$131.32	\$132.03
Jul-19	36,287	\$133.07	\$132.56	\$131.35	\$132.69	\$131.52	\$128.54	\$130.38	\$129.03	\$130.71	\$131.01	\$132.28
Aug-19	36,071	\$123.92	\$132.78	\$131.56	\$132.90	\$131.73	\$117.40	\$130.78	\$118.01	\$131.13	\$131.91	\$132.68
Sep-19	35,934	\$125.00	\$133.00	\$131.78	\$133.12	\$131.94	\$133.22	\$131.77	\$133.63	\$131.64	\$128.47	\$133.15
Oct-19	35,821	\$142.12	\$133.22	\$132.00	\$133.33	\$132.15	\$133.32	\$131.46	\$133.53	\$131.81	\$126.98	\$133.08
Nov-19	36,018	\$138.55	\$133.45	\$132.22	\$133.54	\$132.36	\$141.55	\$131.00	\$142.06	\$131.37	\$133.53	\$132.34
Dec-19	35,968	\$134.56	\$133.67	\$132.44	\$133.75	\$132.58	\$146.21	\$131.82	\$146.26	\$132.18	\$135.71	\$133.57
Jan-20	32,805	\$126.81	\$133.89	\$132.65	\$133.96	\$132.78	\$136.95	\$131.69	\$136.94	\$132.02	\$135.23	\$133.08
Feb-20	32,589	\$128.50	\$134.12	\$132.87	\$134.18	\$132.98	\$132.81	\$131.56	\$132.65	\$131.85	\$131.61	\$132.50
Mar-20	32,589		\$134.33	\$133.08	\$134.38	\$133.19	\$132.04	\$132.07	\$131.55	\$132.31	\$130.28	\$132.06
Apr-20	32,589		\$134.56	\$133.30	\$134.60	\$133.40	\$128.62	\$132.05	\$128.25	\$132.22	\$130.29	\$131.59
May-20	32,589		\$134.78	\$133.52	\$134.80	\$133.61	\$129.25	\$132.02	\$128.86	\$132.14	\$130.30	\$131.38
Jun-20	32,589		\$135.01	\$133.75	\$135.02	\$133.82	\$127.75	\$132.35	\$127.25	\$132.40	\$130.31	\$131.30
Jul-20	32,589		\$135.23	\$133.97	\$135.23	\$134.04	\$130.62	\$132.55	\$130.13	\$132.52	\$130.32	\$131.25
Aug-20	32,589		\$135.46	\$134.20	\$135.44	\$134.25	\$120.51	\$132.94	\$119.92	\$132.80	\$130.33	\$131.12
Sep-20	32,589		\$135.69	\$134.42	\$135.66	\$134.47	\$127.40	\$132.46	\$126.97	\$132.25	\$130.34	\$131.29
Oct-20	32,589		\$135.91	\$134.65	\$135.87	\$134.68	\$137.70	\$132.81	\$137.12	\$132.53	\$130.35	\$131.60
Nov-20	32,589		\$136.14	\$134.89	\$136.08	\$134.90	\$138.68	\$132.50	\$138.29	\$132.14	\$130.36	\$131.33
Dec-20	32,589		\$136.36	\$135.12	\$136.29	\$135.13	\$138.38	\$131.73	\$138.09	\$131.34	\$130.37	\$130.84
Jan-21	32,589		\$136.59	\$135.35	\$136.51	\$135.34	\$130.48	\$131.19	\$130.37	\$130.79	\$130.38	\$130.44
Feb-21	32,589		\$136.82	\$135.57	\$136.72	\$135.55	\$130.14	\$130.96	\$130.07	\$130.57	\$130.40	\$130.34
Mar-21	32,589		\$137.03	\$135.80	\$136.91	\$135.76	\$132.05	\$130.97	\$131.56	\$130.57	\$130.41	\$130.35
Apr-21	32,589		\$137.26	\$136.02	\$137.13	\$135.97	\$128.63	\$130.97	\$128.26	\$130.57	\$130.42	\$130.36
May-21	32,589		\$137.49	\$136.25	\$137.34	\$136.18	\$129.26	\$130.97	\$128.87	\$130.58	\$130.43	\$130.37
Jun-21	32,589		\$137.72	\$136.47	\$137.55	\$136.39	\$127.76	\$130.97	\$127.27	\$130.58	\$130.44	\$130.38
Jul-21	32,589		\$137.95	\$136.70	\$137.76	\$136.61	\$130.63	\$130.97	\$130.15	\$130.58	\$130.45	\$130.39
Aug-21	32,589		\$138.18	\$136.93	\$137.98	\$136.82	\$120.53	\$130.97	\$119.93	\$130.58	\$130.46	\$130.40
Sep-21	32,589		\$138.41	\$137.16	\$138.19	\$137.03	\$127.42	\$130.97	\$126.99	\$130.58	\$130.47	\$130.41
Oct-21	32,589		\$138.64	\$137.38	\$138.40	\$137.24	\$137.71	\$130.97	\$137.13	\$130.58	\$130.48	\$130.42
Nov-21	32,589		\$138.87	\$137.61	\$138.62	\$137.45	\$138.69	\$130.97	\$138.31	\$130.58	\$130.49	\$130.43
Dec-21	32,589		\$139.10	\$137.84	\$138.82	\$137.66	\$138.40	\$130.98	\$138.10	\$130.58	\$130.50	\$130.44
Jan-22	32,589		\$139.34	\$138.07	\$139.04	\$137.87	\$130.50	\$130.98	\$130.39	\$130.59	\$130.51	\$130.46
Feb-22	32,589		\$139.57	\$138.30	\$139.25	\$138.08	\$130.16	\$130.98	\$130.09	\$130.59	\$130.53	\$130.47
Mar-22	32,589		\$139.79	\$138.53	\$139.45	\$138.29	\$132.07	\$130.98	\$131.57	\$130.59	\$130.54	\$130.48
Apr-22	32,589		\$140.02	\$138.76	\$139.66	\$138.51	\$128.65	\$130.98	\$128.28	\$130.59	\$130.55	\$130.49
May-22	32,589		\$140.25	\$138.99	\$139.87	\$138.72	\$129.28	\$130.98	\$128.89	\$130.59	\$130.56	\$130.50
Jun-22	32,589		\$140.49	\$139.22	\$140.09	\$138.93	\$127.78	\$130.99	\$127.28	\$130.59	\$130.57	\$130.51
Jul-22	32,589		\$140.72	\$139.45	\$140.29	\$139.14	\$130.65	\$130.99	\$130.16	\$130.59	\$130.58	\$130.52
Aug-22	32,589		\$140.96	\$139.68	\$140.51	\$139.35	\$120.54	\$130.99	\$119.95	\$130.60	\$130.59	\$130.53
Sep-22	32,589		\$141.20	\$139.91	\$140.73	\$139.56	\$127.43	\$130.99	\$127.00	\$130.60	\$130.60	\$130.54
Oct-22	32,589		\$141.43	\$140.14	\$140.93	\$139.77	\$137.73	\$130.99	\$137.14	\$130.60	\$130.61	\$130.55
Nov-22	32,589		\$141.67	\$140.38	\$141.15	\$139.98	\$138.71	\$130.99	\$138.32	\$130.60	\$130.62	\$130.56
Dec-22	32,589		\$141.90	\$140.61	\$141.36	\$140.19	\$138.41	\$130.99	\$138.12	\$130.60	\$130.63	\$130.57
Utilization Trend			2.02%		1.88%		-0.15%		-0.34%		-0.51%	
RMSE (root mean square error)			5.57		5.59		7.04		7.00		7.55	

MEDICAL UTILIZATION TREND CALCULATION

Utilization Trend Calculation - Professional - 24 Month

Month	Membership	Adjusted Allowed Claims PMPM	Logistic Regression		Linear Regression		Holt-Winters' Multiplicative		Holt-Winters' Additive		Double Exp Smoothing	
			Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM	Fitted PMPM	Rolling 12 PMPM
Mar-18	36,982	\$129.08	\$129.70		\$129.88							
Apr-18	37,248	\$127.38	\$129.84		\$130.02						\$129.29	
May-18	37,388	\$130.66	\$129.98		\$130.16						\$129.16	
Jun-18	37,410	\$125.12	\$130.13		\$130.31						\$129.29	
Jul-18	38,131	\$126.05	\$130.27		\$130.45						\$128.99	
Aug-18	38,163	\$117.98	\$130.41		\$130.59						\$128.79	
Sep-18	38,042	\$134.83	\$130.56		\$130.73						\$128.00	
Oct-18	38,218	\$133.37	\$130.70		\$130.87						\$128.52	
Nov-18	38,553	\$136.15	\$130.85		\$131.02						\$128.89	
Dec-18	38,504	\$150.95	\$130.99		\$131.15						\$129.45	
Jan-19	37,151	\$135.55	\$131.13		\$131.30						\$131.07	
Feb-19	37,152	\$131.63	\$131.28	\$130.49	\$131.44	\$130.66					\$131.42	
Mar-19	37,161	\$136.19	\$131.41	\$130.63	\$131.57	\$130.80	\$129.29		\$129.29		\$131.45	\$129.52
Apr-19	36,932	\$128.71	\$131.56	\$130.77	\$131.72	\$130.94	\$127.60		\$127.60		\$131.82	\$129.72
May-19	36,891	\$129.38	\$131.70	\$130.91	\$131.85	\$131.08	\$130.86		\$130.86		\$131.61	\$129.92
Jun-19	36,736	\$130.58	\$131.85	\$131.05	\$132.00	\$131.22	\$125.33		\$125.33		\$131.46	\$130.10
Jul-19	36,287	\$133.07	\$131.99	\$131.19	\$132.14	\$131.36	\$126.27		\$126.27		\$131.41	\$130.30
Aug-19	36,071	\$123.92	\$132.13	\$131.33	\$132.28	\$131.50	\$118.18		\$118.18		\$131.55	\$130.53
Sep-19	35,934	\$125.00	\$132.28	\$131.48	\$132.42	\$131.64	\$135.07		\$135.06		\$131.00	\$130.78
Oct-19	35,821	\$142.12	\$132.42	\$131.62	\$132.56	\$131.78	\$133.58		\$133.58		\$130.57	\$130.96
Nov-19	36,018	\$138.55	\$132.57	\$131.77	\$132.71	\$131.92	\$136.38		\$136.37		\$131.45	\$131.18
Dec-19	35,968	\$134.56	\$132.72	\$131.91	\$132.85	\$132.06	\$151.23		\$151.23		\$132.00	\$131.40
Jan-20	32,805	\$126.81	\$132.86	\$132.05	\$132.99	\$132.20	\$135.73		\$135.73		\$132.21	\$131.49
Feb-20	32,589	\$128.50	\$133.01	\$132.19	\$133.13	\$132.34	\$131.84	\$131.71	\$131.84	\$131.71	\$131.81	\$131.52
Mar-20	32,589		\$133.15	\$132.33	\$133.27	\$132.47	\$136.40	\$132.28	\$136.40	\$132.28	\$131.56	\$131.53
Apr-20	32,589		\$133.30	\$132.48	\$133.41	\$132.61	\$128.90	\$132.43	\$128.90	\$132.43	\$131.57	\$131.51
May-20	32,589		\$133.44	\$132.62	\$133.55	\$132.75	\$129.55	\$132.35	\$129.55	\$132.35	\$131.57	\$131.50
Jun-20	32,589		\$133.59	\$132.77	\$133.69	\$132.90	\$130.77	\$132.85	\$130.76	\$132.85	\$131.57	\$131.51
Jul-20	32,589		\$133.73	\$132.91	\$133.83	\$133.04	\$133.27	\$133.47	\$133.27	\$133.46	\$131.57	\$131.53
Aug-20	32,589		\$133.88	\$133.06	\$133.98	\$133.18	\$124.08	\$134.07	\$124.08	\$134.07	\$131.58	\$131.53
Sep-20	32,589		\$134.03	\$133.21	\$134.12	\$133.32	\$125.18	\$133.26	\$125.17	\$133.26	\$131.58	\$131.58
Oct-20	32,589		\$134.18	\$133.36	\$134.26	\$133.47	\$142.33	\$133.98	\$142.33	\$133.97	\$131.58	\$131.67
Nov-20	32,589		\$134.33	\$133.51	\$134.40	\$133.62	\$138.76	\$134.15	\$138.76	\$134.15	\$131.58	\$131.68
Dec-20	32,589		\$134.47	\$133.66	\$134.54	\$133.76	\$134.79	\$132.64	\$134.79	\$132.63	\$131.58	\$131.65
Jan-21	32,589		\$134.62	\$133.81	\$134.68	\$133.91	\$126.82	\$131.89	\$126.82	\$131.89	\$131.59	\$131.60
Feb-21	32,589		\$134.77	\$133.96	\$134.83	\$134.05	\$128.51	\$131.61	\$128.51	\$131.61	\$131.59	\$131.58
Mar-21	32,589		\$134.91	\$134.10	\$134.96	\$134.19	\$136.40	\$131.61	\$136.40	\$131.61	\$131.59	\$131.58
Apr-21	32,589		\$135.06	\$134.25	\$135.10	\$134.33	\$128.90	\$131.61	\$128.90	\$131.61	\$131.59	\$131.58
May-21	32,589		\$135.20	\$134.40	\$135.24	\$134.47	\$129.55	\$131.61	\$129.55	\$131.61	\$131.60	\$131.58
Jun-21	32,589		\$135.35	\$134.55	\$135.38	\$134.61	\$130.77	\$131.61	\$130.76	\$131.61	\$131.60	\$131.59
Jul-21	32,589		\$135.50	\$134.69	\$135.52	\$134.75	\$133.27	\$131.61	\$133.27	\$131.61	\$131.60	\$131.59
Aug-21	32,589		\$135.65	\$134.84	\$135.67	\$134.89	\$124.08	\$131.61	\$124.08	\$131.61	\$131.60	\$131.59
Sep-21	32,589		\$135.80	\$134.99	\$135.81	\$135.03	\$125.18	\$131.61	\$125.17	\$131.61	\$131.60	\$131.59
Oct-21	32,589		\$135.95	\$135.13	\$135.95	\$135.17	\$142.33	\$131.61	\$142.33	\$131.61	\$131.61	\$131.59
Nov-21	32,589		\$136.10	\$135.28	\$136.09	\$135.31	\$138.76	\$131.61	\$138.76	\$131.61	\$131.61	\$131.60
Dec-21	32,589		\$136.25	\$135.43	\$136.23	\$135.46	\$134.79	\$131.61	\$134.79	\$131.61	\$131.61	\$131.60
Jan-22	32,589		\$136.40	\$135.58	\$136.38	\$135.60	\$126.82	\$131.61	\$126.82	\$131.61	\$131.61	\$131.60
Feb-22	32,589		\$136.55	\$135.73	\$136.52	\$135.74	\$128.51	\$131.61	\$128.51	\$131.61	\$131.62	\$131.60
Mar-22	32,589		\$136.69	\$135.88	\$136.65	\$135.88	\$136.40	\$131.61	\$136.40	\$131.61	\$131.62	\$131.61
Apr-22	32,589		\$136.84	\$136.02	\$136.79	\$136.02	\$128.90	\$131.61	\$128.90	\$131.61	\$131.62	\$131.61
May-22	32,589		\$136.99	\$136.17	\$136.93	\$136.16	\$129.55	\$131.61	\$129.55	\$131.61	\$131.62	\$131.61
Jun-22	32,589		\$137.14	\$136.32	\$137.07	\$136.30	\$130.77	\$131.61	\$130.76	\$131.61	\$131.62	\$131.61
Jul-22	32,589		\$137.29	\$136.47	\$137.21	\$136.44	\$133.27	\$131.61	\$133.27	\$131.61	\$131.63	\$131.61
Aug-22	32,589		\$137.44	\$136.62	\$137.36	\$136.58	\$124.08	\$131.61	\$124.08	\$131.61	\$131.63	\$131.62
Sep-22	32,589		\$137.59	\$136.77	\$137.50	\$136.72	\$125.18	\$131.61	\$125.17	\$131.61	\$131.63	\$131.62
Oct-22	32,589		\$137.74	\$136.92	\$137.64	\$136.86	\$142.33	\$131.61	\$142.33	\$131.61	\$131.63	\$131.62
Nov-22	32,589		\$137.90	\$137.07	\$137.78	\$137.01	\$138.76	\$131.61	\$138.76	\$131.61	\$131.64	\$131.62
Dec-22	32,589		\$138.05	\$137.22	\$137.92	\$137.15	\$134.79	\$131.61	\$134.79	\$131.61	\$131.64	\$131.63
Utilization Trend			1.32%		1.27%		-0.03%		-0.03%		0.03%	
RMSE (root mean square error)			5.40		5.42		7.69		7.69		7.04	

MEDICAL UTILIZATION TREND CALCULATION


Pure Premium Trend - Pharmaceuticals Processed through the Medical Benefit

Month	MONTHLY DATA			ROLLING 12		
	Members	Contract Adjusted Allowed Charges	Total Specialty PMPM	Members	Contract Adjusted Allowed Charges	Rolling 12 PMPM
Mar-16	35,794	\$ 1,061,212	\$29.65			
Apr-16	35,749	\$ 988,033	\$27.64			
May-16	35,351	\$ 1,279,520	\$36.19			
Jun-16	35,282	\$ 1,575,226	\$44.65			
Jul-16	35,240	\$ 1,166,859	\$33.11			
Aug-16	35,219	\$ 1,234,051	\$35.04			
Sep-16	35,267	\$ 1,252,237	\$35.59			
Oct-16	35,468	\$ 1,208,654	\$34.08			
Nov-16	35,475	\$ 1,297,337	\$36.57			
Dec-16	35,064	\$ 1,149,023	\$32.77			
Jan-17	38,257	\$ 1,235,302	\$32.29			
Feb-17	38,200	\$ 1,216,419	\$31.84	430,366	\$ 14,666,874	\$34.08
Mar-17	38,118	\$ 1,572,880	\$41.26	432,690	\$ 15,178,542	\$35.08
Apr-17	38,137	\$ 1,055,695	\$27.68	435,078	\$ 15,246,204	\$35.04
May-17	38,370	\$ 1,406,737	\$36.66	438,097	\$ 15,373,421	\$35.09
Jun-17	38,439	\$ 1,281,694	\$33.34	441,254	\$ 15,079,889	\$34.18
Jul-17	38,496	\$ 1,139,177	\$29.59	444,510	\$ 15,052,207	\$33.86
Aug-17	38,539	\$ 1,297,540	\$33.67	447,830	\$ 15,115,695	\$33.75
Sep-17	38,136	\$ 1,346,438	\$35.31	450,699	\$ 15,206,897	\$33.74
Oct-17	38,151	\$ 1,429,611	\$37.47	453,382	\$ 15,427,854	\$34.03
Nov-17	38,228	\$ 1,417,588	\$37.08	456,135	\$ 15,548,105	\$34.09
Dec-17	38,182	\$ 1,326,110	\$34.73	459,253	\$ 15,725,192	\$34.24
Jan-18	36,978	\$ 1,835,397	\$49.63	457,974	\$ 16,325,287	\$35.65
Feb-18	36,971	\$ 1,289,991	\$34.89	456,745	\$ 16,398,858	\$35.90
Mar-18	36,982	\$ 1,881,673	\$50.88	455,609	\$ 16,707,651	\$36.67
Apr-18	37,248	\$ 1,472,850	\$39.54	454,720	\$ 17,124,806	\$37.66
May-18	37,388	\$ 1,673,045	\$44.75	453,738	\$ 17,391,114	\$38.33
Jun-18	37,410	\$ 1,441,731	\$38.54	452,709	\$ 17,551,152	\$38.77
Jul-18	38,131	\$ 1,702,339	\$44.64	452,344	\$ 18,114,313	\$40.05
Aug-18	38,163	\$ 1,367,579	\$35.84	451,968	\$ 18,184,353	\$40.23
Sep-18	38,042	\$ 1,265,869	\$33.28	451,874	\$ 18,103,783	\$40.06
Oct-18	38,218	\$ 1,513,253	\$39.60	451,941	\$ 18,187,425	\$40.24
Nov-18	38,553	\$ 1,660,336	\$43.07	452,266	\$ 18,330,173	\$40.75
Dec-18	38,504	\$ 1,704,853	\$44.28	452,588	\$ 18,808,916	\$41.56
Jan-19	37,151	\$ 1,682,772	\$45.30	452,761	\$ 18,656,291	\$41.21
Feb-19	37,152	\$ 1,410,021	\$37.95	452,942	\$ 18,776,322	\$41.45
Mar-19	37,161	\$ 1,610,536	\$43.34	453,121	\$ 18,505,185	\$40.84
Apr-19	36,932	\$ 1,642,120	\$44.46	452,805	\$ 18,674,454	\$41.24
May-19	36,891	\$ 1,738,667	\$47.13	452,308	\$ 18,740,076	\$41.43
Jun-19	36,736	\$ 1,595,086	\$43.42	451,634	\$ 18,893,432	\$41.83
Jul-19	36,287	\$ 1,680,765	\$46.32	449,790	\$ 18,871,858	\$41.96
Aug-19	36,071	\$ 1,604,280	\$44.48	447,698	\$ 19,108,559	\$42.68
Sep-19	35,934	\$ 1,882,717	\$52.39	445,590	\$ 19,725,407	\$44.27
Oct-19	35,821	\$ 1,613,090	\$45.03	443,193	\$ 19,825,244	\$44.73
Nov-19	36,018	\$ 1,521,448	\$42.24	440,858	\$ 19,686,356	\$44.67
Dec-19	35,968	\$ 1,727,320	\$48.02	438,122	\$ 19,708,823	\$44.98
Jan-20	32,805	\$ 1,555,187	\$47.41	433,776	\$ 19,581,238	\$45.14
Feb-20	32,589	\$ 1,124,127	\$34.49	429,213	\$ 19,295,343	\$44.96

Pure Premium Trend	8.45%
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MEDICAL UTILIZATION TREND CALCULATION

Details of Pharmaceuticals Processed through the Medical Benefit

Drugs	YE 201802 PMPM	YE 201902 PMPM	YE 202002 PMPM	2018 to 2019 Increase	2019 to 2020 Increase	Selection	Months	Projected YE 202212 PMPM
								
Total	\$35.90	\$41.45	\$44.96	15.46%	8.45%	8.37%	34	\$56.46

Total Trend	a	8.37%
Cost	b	5.28%
Utilization and Intensity	$c = (1+a) / (1+b) - 1$	2.94%
Pipeline	d	5.00%
Selected Utilization Trend	$e = (1+c) \times (1+d)$	8.09%

MEDICAL UTILIZATION TREND CALCULATION

All Professional Claims Except for Excluded Categories (MHSA, independent labs, therapeutic services (chiropractic, physical, occupational, speech) and vaccinations)

Month	Members	Incurred Services	Allowed Charges	Allowed Charges per Service	Pure Premium PMPM	Utilization of Services per 1000 Members	ASF Normalization	Working Day Normalization	Adjusted Utilization per 1000 Members	Adjusted Incurred Services
Mar-16	35,794	27,538	\$3,904,359	\$141.78	\$109.08	769.35	1.0042	0.9167	708.17	25,348
Apr-16	35,749	24,677	\$3,637,894	\$147.42	\$101.76	690.29	1.0029	1.0040	695.02	24,846
May-16	35,351	24,732	\$3,684,272	\$148.97	\$104.22	699.61	1.0013	1.0040	703.30	24,862
Jun-16	35,282	24,644	\$3,601,367	\$146.14	\$102.07	698.49	1.0005	0.9583	669.69	23,628
Jul-16	35,240	22,177	\$3,184,607	\$143.60	\$90.37	629.31	0.9996	1.0542	663.11	23,368
Aug-16	35,219	25,018	\$3,684,285	\$147.27	\$104.61	710.36	0.9985	0.9167	650.16	22,898
Sep-16	35,267	24,657	\$3,623,516	\$146.96	\$102.75	699.15	0.9984	1.0040	700.84	24,716
Oct-16	35,468	25,058	\$3,766,439	\$150.31	\$106.19	706.50	0.9964	1.0040	706.74	25,066
Nov-16	35,475	25,580	\$3,902,665	\$152.57	\$110.01	721.07	0.9969	1.0542	757.81	26,883
Dec-16	35,064	26,521	\$4,082,400	\$153.93	\$116.43	756.36	0.9943	1.0040	755.06	26,475
Jan-17	38,257	28,287	\$3,951,943	\$139.71	\$103.30	739.39	1.0065	1.0040	747.12	28,583
Feb-17	38,200	24,782	\$3,613,714	\$145.82	\$94.60	648.74	1.0066	1.0542	688.38	26,296
Mar-17	38,118	28,133	\$4,138,097	\$147.09	\$108.56	738.05	1.0045	0.9167	679.57	25,904
Apr-17	38,137	25,465	\$3,924,558	\$154.12	\$102.91	667.72	1.0048	1.0542	707.26	26,973
May-17	38,370	28,984	\$4,164,082	\$143.67	\$108.52	755.38	1.0036	0.9583	726.49	27,875
Jun-17	38,439	27,308	\$4,095,126	\$149.96	\$106.54	710.42	1.0028	0.9583	682.75	26,244
Jul-17	38,496	25,174	\$3,792,498	\$150.65	\$98.52	653.94	1.0034	1.1096	728.09	28,028
Aug-17	38,539	27,155	\$3,956,163	\$145.69	\$102.65	704.61	1.0017	0.9167	647.01	24,935
Sep-17	38,136	25,458	\$3,864,123	\$151.78	\$101.32	667.56	1.0010	1.0542	704.42	26,864
Oct-17	38,151	28,847	\$4,291,027	\$148.75	\$112.47	756.13	1.0017	0.9583	725.88	27,693
Nov-17	38,228	27,913	\$4,435,387	\$158.90	\$116.02	730.17	1.0008	1.0542	770.31	29,447
Dec-17	38,182	27,143	\$4,210,563	\$155.13	\$110.28	710.88	0.9997	1.0542	749.20	28,606
Jan-18	36,978	29,279	\$4,342,765	\$148.32	\$117.44	791.80	1.0043	0.9583	762.05	28,179
Feb-18	36,971	26,680	\$3,874,054	\$145.20	\$104.79	721.65	1.0030	1.0542	763.04	28,210
Mar-18	36,982	28,091	\$4,160,415	\$148.10	\$112.50	759.59	1.0017	0.9583	729.18	26,967
Apr-18	37,248	26,488	\$3,863,607	\$145.86	\$103.73	711.13	1.0018	1.0040	715.21	26,640
May-18	37,388	27,685	\$4,153,801	\$150.04	\$111.10	740.48	1.0012	0.9583	710.46	26,563
Jun-18	37,410	26,296	\$3,831,962	\$145.72	\$102.43	702.91	1.0000	1.0040	705.70	26,400
Jul-18	38,131	25,739	\$3,956,057	\$153.70	\$103.75	675.02	1.0005	1.0040	678.05	25,855
Aug-18	38,163	27,527	\$4,024,309	\$146.19	\$105.45	721.30	0.9998	0.9167	661.08	25,229
Sep-18	38,042	25,520	\$3,826,460	\$149.94	\$100.59	670.84	0.9972	1.1096	742.32	28,240
Oct-18	38,218	30,300	\$4,501,331	\$148.56	\$117.78	792.83	0.9974	0.9167	724.89	27,704
Nov-18	38,553	27,518	\$4,066,327	\$147.77	\$105.47	713.78	0.9974	1.0542	750.52	28,935
Dec-18	38,504	28,107	\$4,453,774	\$155.46	\$115.67	729.99	0.9966	1.1096	807.27	31,083
Jan-19	37,151	29,387	\$4,295,906	\$146.19	\$115.63	791.01	1.0061	0.9583	762.69	28,335
Feb-19	37,152	26,285	\$3,798,830	\$144.53	\$102.25	707.49	1.0055	1.0542	749.89	27,860
Mar-19	37,161	28,406	\$4,142,956	\$145.85	\$111.49	764.41	1.0047	1.0040	771.07	28,654
Apr-19	36,932	27,571	\$4,033,288	\$146.29	\$109.21	746.54	1.0033	0.9583	717.76	26,508
May-19	36,891	27,346	\$4,041,080	\$147.78	\$109.54	741.26	1.0021	0.9583	711.85	26,261
Jun-19	36,736	25,097	\$3,752,158	\$149.51	\$102.14	683.16	1.0025	1.0542	721.97	26,522
Jul-19	36,287	26,382	\$3,948,403	\$149.66	\$108.81	727.04	1.0016	1.0040	731.08	26,529
Aug-19	36,071	25,500	\$3,851,156	\$151.03	\$106.77	706.94	0.9993	0.9583	676.98	24,419
Sep-19	35,934	24,974	\$3,667,990	\$146.87	\$102.08	695.00	0.9992	1.0040	697.19	25,053
Oct-19	35,821	28,657	\$4,275,410	\$149.19	\$119.35	800.00	0.9975	0.9583	764.77	27,395
Nov-19	36,018	24,778	\$3,652,787	\$147.42	\$101.42	687.93	0.9993	1.1096	762.83	27,476
Dec-19	35,968	26,463	\$4,003,113	\$151.27	\$111.30	735.74	0.9987	1.0040	737.71	26,534
Jan-20	32,805	25,578	\$3,508,701	\$137.17	\$106.96	779.71	1.0014	0.9583	748.25	24,546
Feb-20	32,589	23,285	\$3,257,105	\$139.88	\$99.94	714.50	1.0000	1.0542	753.21	24,546

YE Feb 2017	430,366
YE Feb 2018	456,745
YE Feb 2019	452,942
YE Feb 2020	429,213

YE Feb 2017	703.99	302,971
YE Feb 2018	720.23	328,960
YE Feb 2019	728.15	329,810
YE Feb 2020	732.60	314,443

MEDICAL UTILIZATION TREND CALCULATION

MHSA Professional Claims

Month	Members	Incurred Services	Allowed Charges	Allowed Charges per Service	Pure Premium PMPM	Utilization of Services per 1000 Members	ASF Normalization	Working Day Normalization	Adjusted Utilization per 1000 Members	Adjusted Incurred Services
Mar-16	35,794	4,579	\$379,770	\$82.94	\$10.61	127.93	1.0042	0.9167	117.75	4,215
Apr-16	35,749	3,992	\$328,987	\$82.41	\$9.20	111.67	1.0029	1.0040	112.43	4,019
May-16	35,351	4,425	\$364,600	\$82.40	\$10.31	125.17	1.0013	1.0040	125.83	4,448
Jun-16	35,282	4,226	\$349,784	\$82.77	\$9.91	119.78	1.0005	0.9583	114.84	4,052
Jul-16	35,240	3,490	\$292,721	\$83.87	\$8.31	99.04	0.9996	1.0542	104.35	3,677
Aug-16	35,219	3,934	\$329,704	\$83.81	\$9.36	111.70	0.9985	0.9167	102.24	3,601
Sep-16	35,267	3,953	\$330,919	\$83.71	\$9.38	112.09	0.9984	1.0040	112.26	3,963
Oct-16	35,468	4,033	\$339,534	\$84.19	\$9.57	113.71	0.9964	1.0040	113.75	4,034
Nov-16	35,475	4,125	\$345,442	\$83.74	\$9.74	116.28	0.9969	1.0542	122.20	4,335
Dec-16	35,064	3,655	\$304,052	\$83.19	\$8.67	104.24	0.9943	1.0040	104.06	3,649
Jan-17	38,257	4,609	\$386,435	\$83.84	\$10.10	120.47	1.0065	1.0040	121.73	4,657
Feb-17	38,200	4,139	\$361,067	\$87.24	\$9.45	108.35	1.0066	1.0542	114.97	4,392
Mar-17	38,118	4,737	\$407,345	\$85.99	\$10.69	124.27	1.0045	0.9167	114.42	4,362
Apr-17	38,137	4,384	\$379,326	\$86.53	\$9.95	114.95	1.0048	1.0542	121.76	4,644
May-17	38,370	5,041	\$432,035	\$85.70	\$11.26	131.38	1.0036	0.9583	126.35	4,848
Jun-17	38,439	4,590	\$392,359	\$85.48	\$10.21	119.41	1.0028	0.9583	114.76	4,411
Jul-17	38,496	4,046	\$344,780	\$85.22	\$8.96	105.10	1.0034	1.1096	117.02	4,505
Aug-17	38,539	4,594	\$394,435	\$85.86	\$10.23	119.20	1.0017	0.9167	109.46	4,218
Sep-17	38,136	4,301	\$368,999	\$85.79	\$9.68	112.78	1.0010	1.0542	119.01	4,538
Oct-17	38,151	4,845	\$412,355	\$85.11	\$10.81	127.00	1.0017	0.9583	121.92	4,651
Nov-17	38,228	4,785	\$403,186	\$84.26	\$10.55	125.17	1.0008	1.0542	131.05	5,048
Dec-17	38,182	3,965	\$332,101	\$83.76	\$8.70	103.84	0.9997	1.0542	109.44	4,179
Jan-18	36,978	4,969	\$416,594	\$83.84	\$11.27	134.38	1.0043	0.9583	129.33	4,782
Feb-18	36,971	4,268	\$363,343	\$85.13	\$9.83	115.44	1.0030	1.0542	122.06	4,513
Mar-18	36,982	4,788	\$411,231	\$85.89	\$11.12	129.47	1.0017	0.9583	124.29	4,596
Apr-18	37,248	4,807	\$417,131	\$86.78	\$11.20	129.05	1.0018	1.0040	129.79	4,835
May-18	37,388	5,415	\$462,914	\$85.49	\$12.38	144.83	1.0012	0.9583	138.96	5,195
Jun-18	37,410	4,847	\$416,068	\$85.84	\$11.12	129.56	1.0000	1.0040	130.08	4,866
Jul-18	38,131	4,684	\$400,728	\$85.55	\$10.51	122.84	1.0005	1.0040	123.39	4,705
Aug-18	38,163	4,808	\$411,997	\$85.69	\$10.80	125.99	0.9998	0.9167	115.47	4,407
Sep-18	38,042	4,650	\$398,810	\$85.77	\$10.48	122.23	0.9972	1.1096	135.26	5,146
Oct-18	38,218	5,827	\$500,599	\$85.91	\$13.10	152.47	0.9974	0.9167	139.40	5,328
Nov-18	38,553	5,103	\$440,128	\$86.25	\$11.42	132.37	0.9974	1.0542	139.18	5,366
Dec-18	38,504	4,605	\$393,144	\$85.37	\$10.21	119.60	0.9966	1.1096	132.26	5,093
Jan-19	37,151	5,443	\$469,708	\$86.29	\$12.64	146.52	1.0061	0.9583	141.27	5,248
Feb-19	37,152	4,819	\$415,722	\$86.26	\$11.19	129.72	1.0055	1.0542	137.49	5,108
Mar-19	37,161	5,326	\$457,909	\$85.97	\$12.32	143.33	1.0047	1.0040	144.58	5,373
Apr-19	36,932	5,551	\$486,189	\$87.58	\$13.16	150.31	1.0033	0.9583	144.52	5,337
May-19	36,891	5,807	\$516,748	\$88.98	\$14.01	157.41	1.0021	0.9583	151.17	5,577
Jun-19	36,736	5,022	\$439,383	\$87.49	\$11.96	136.71	1.0025	1.0542	144.47	5,307
Jul-19	36,287	5,245	\$458,801	\$87.47	\$12.64	144.54	1.0016	1.0040	145.35	5,274
Aug-19	36,071	4,891	\$427,560	\$87.42	\$11.85	135.59	0.9993	0.9583	129.85	4,684
Sep-19	35,934	5,059	\$447,298	\$88.42	\$12.45	140.79	0.9992	1.0040	141.23	5,075
Oct-19	35,821	6,066	\$534,576	\$88.12	\$14.92	169.35	0.9975	0.9583	161.89	5,799
Nov-19	36,018	4,927	\$429,817	\$87.23	\$11.93	136.80	0.9993	1.1096	151.69	5,464
Dec-19	35,968	4,796	\$414,993	\$86.54	\$11.54	133.33	0.9987	1.0040	133.68	4,808
Jan-20	32,805	5,294	\$458,350	\$86.57	\$13.97	161.39	1.0014	0.9583	154.88	5,081
Feb-20	32,589	4,539	\$391,437	\$86.23	\$12.01	139.29	1.0000	1.0542	146.83	4,785

YE Feb 2017	430,366
YE Feb 2018	456,745
YE Feb 2019	452,942
YE Feb 2020	429,213

YE Feb 2017	113.95	49,042
YE Feb 2018	119.76	54,699
YE Feb 2019	132.23	59,893
YE Feb 2020	145.76	62,564

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING

EXHIBIT 2C

MEDICAL UTILIZATION TREND CALCULATION

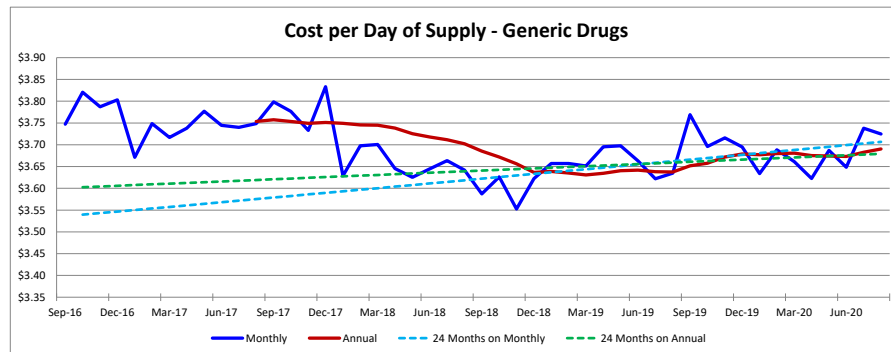
Month	Average Paid to Allowed Ratio	Average Induced Utilization Factor	Normalization Factor for Induced Utilization
Mar-17	0.7243	1.0403	
Apr-17	0.7216	1.0391	
May-17	0.7186	1.0378	
Jun-17	0.7179	1.0375	
Jul-17	0.7184	1.0377	
Aug-17	0.7178	1.0374	
Sep-17	0.7171	1.0371	
Oct-17	0.7179	1.0375	
Nov-17	0.7184	1.0377	
Dec-17	0.7176	1.0373	
Jan-18	0.7169	1.0370	
Feb-18	0.7156	1.0365	
Mar-18	0.7146	1.0361	0.9959
Apr-18	0.7138	1.0357	0.9968
May-18	0.7144	1.0359	0.9982
Jun-18	0.7136	1.0356	0.9982
Jul-18	0.7136	1.0356	0.9980
Aug-18	0.7138	1.0357	0.9983
Sep-18	0.7133	1.0355	0.9984
Oct-18	0.7139	1.0358	0.9983
Nov-18	0.7124	1.0351	0.9975
Dec-18	0.7122	1.0350	0.9978
Jan-19	0.7158	1.0366	0.9996
Feb-19	0.7160	1.0367	1.0002
Mar-19	0.7158	1.0366	1.0005
Apr-19	0.7158	1.0366	1.0008
May-19	0.7167	1.0369	1.0010
Jun-19	0.7179	1.0375	1.0018
Jul-19	0.7184	1.0377	1.0020
Aug-19	0.7182	1.0376	1.0018
Sep-19	0.7196	1.0382	1.0026
Oct-19	0.7199	1.0384	1.0025
Nov-19	0.7212	1.0389	1.0037
Dec-19	0.7212	1.0389	1.0038
Jan-20	0.7176	1.0374	1.0008
Feb-20	0.7186	1.0378	1.0011

PHARMACY TREND DEVELOPMENT

Generic Drugs - Cost Trend

Incurred Date	Monthly Data				Rolling 12				Exponential Fit	
	Supply	AWP Cost	Cost/ Supply	Monthly Cost Trend	Supply	AWP Cost	Cost/ Supply	Rolling 12 Cost Trend	Monthly Data	Rolling 12 Data
Sep-16	901,681	\$3,378,771	\$3.75							
Oct-16	915,440	\$3,497,404	\$3.82						\$3.54	\$3.60
Nov-16	904,692	\$3,426,141	\$3.79						\$3.54	\$3.60
Dec-16	949,740	\$3,611,890	\$3.80						\$3.55	\$3.61
Jan-17	951,046	\$3,491,350	\$3.67						\$3.55	\$3.61
Feb-17	843,107	\$3,160,456	\$3.75						\$3.55	\$3.61
Mar-17	956,490	\$3,555,247	\$3.72						\$3.56	\$3.61
Apr-17	868,493	\$3,246,411	\$3.74						\$3.56	\$3.61
May-17	926,736	\$3,500,367	\$3.78						\$3.56	\$3.61
Jun-17	879,724	\$3,294,116	\$3.74						\$3.57	\$3.62
Jul-17	848,192	\$3,172,290	\$3.74						\$3.57	\$3.62
Aug-17	900,155	\$3,374,381	\$3.75		10,845,496	\$40,708,823	\$3.75		\$3.58	\$3.62
Sep-17	800,975	\$3,042,558	\$3.80	1.4%	10,744,790	\$40,372,611	\$3.76		\$3.58	\$3.62
Oct-17	874,658	\$3,303,238	\$3.78	-1.1%	10,704,008	\$40,178,445	\$3.75		\$3.58	\$3.62
Nov-17	847,684	\$3,164,363	\$3.73	-1.4%	10,647,000	\$39,916,667	\$3.75		\$3.59	\$3.62
Dec-17	856,801	\$3,284,355	\$3.83	0.8%	10,554,061	\$39,589,131	\$3.75		\$3.59	\$3.63
Jan-18	795,781	\$2,887,767	\$3.63	-1.1%	10,398,796	\$38,985,548	\$3.75		\$3.59	\$3.63
Feb-18	708,260	\$2,618,788	\$3.70	-1.4%	10,263,949	\$38,443,881	\$3.75		\$3.60	\$3.63
Mar-18	770,852	\$2,852,592	\$3.70	-0.4%	10,078,310	\$37,741,226	\$3.74		\$3.60	\$3.63
Apr-18	725,325	\$2,644,080	\$3.65	-2.5%	9,935,142	\$37,138,895	\$3.74		\$3.60	\$3.63
May-18	773,564	\$2,804,225	\$3.63	-4.0%	9,781,970	\$36,442,753	\$3.73		\$3.61	\$3.63
Jun-18	714,665	\$2,604,815	\$3.64	-2.7%	9,616,911	\$35,753,452	\$3.72		\$3.61	\$3.64
Jul-18	741,724	\$2,717,370	\$3.66	-2.0%	9,510,443	\$35,298,533	\$3.71		\$3.61	\$3.64
Aug-18	757,066	\$2,757,136	\$3.64	-2.8%	9,367,354	\$34,681,287	\$3.70	-1.4%	\$3.62	\$3.64
Sep-18	686,530	\$2,462,712	\$3.59	-5.6%	9,252,909	\$34,101,441	\$3.69	-1.9%	\$3.62	\$3.64
Oct-18	762,094	\$2,763,614	\$3.63	-4.0%	9,140,345	\$33,561,817	\$3.67	-2.2%	\$3.63	\$3.64
Nov-18	740,854	\$2,631,942	\$3.55	-4.8%	9,033,515	\$33,029,396	\$3.66	-2.5%	\$3.63	\$3.64
Dec-18	754,378	\$2,732,579	\$3.62	-5.5%	8,931,092	\$32,477,621	\$3.64	-3.1%	\$3.63	\$3.65
Jan-19	695,092	\$2,541,846	\$3.66	0.8%	8,830,404	\$32,131,700	\$3.64	-2.9%	\$3.64	\$3.65
Feb-19	622,194	\$2,275,249	\$3.66	-1.1%	8,744,338	\$31,788,161	\$3.64	-2.9%	\$3.64	\$3.65
Mar-19	684,935	\$2,500,936	\$3.65	-1.3%	8,658,421	\$31,436,505	\$3.63	-3.0%	\$3.64	\$3.65
Apr-19	670,179	\$2,476,424	\$3.70	1.4%	8,603,275	\$31,268,850	\$3.63	-2.8%	\$3.65	\$3.65
May-19	668,249	\$2,471,015	\$3.70	2.0%	8,497,960	\$30,935,640	\$3.64	-2.3%	\$3.65	\$3.65
Jun-19	637,728	\$2,335,988	\$3.66	0.5%	8,421,023	\$30,666,812	\$3.64	-2.0%	\$3.65	\$3.66
Jul-19	655,025	\$2,372,414	\$3.62	-1.1%	8,334,324	\$30,321,856	\$3.64	-2.0%	\$3.66	\$3.66
Aug-19	619,915	\$2,253,265	\$3.63	-0.2%	8,197,173	\$29,817,985	\$3.64	-1.7%	\$3.66	\$3.66
Sep-19	600,346	\$2,262,684	\$3.77	5.1%	8,110,989	\$29,617,957	\$3.65	-0.9%	\$3.67	\$3.66
Oct-19	653,993	\$2,417,137	\$3.70	1.9%	8,002,888	\$29,271,480	\$3.66	-0.4%	\$3.67	\$3.66
Nov-19	594,459	\$2,208,959	\$3.72	4.6%	7,856,493	\$28,848,497	\$3.67	0.4%	\$3.67	\$3.66
Dec-19	658,316	\$2,432,462	\$3.69	2.0%	7,760,431	\$28,548,380	\$3.68	1.2%	\$3.68	\$3.67
Jan-20	582,377	\$2,116,176	\$3.63	-0.6%	7,647,716	\$28,122,710	\$3.68	1.1%	\$3.68	\$3.67
Feb-20	519,927	\$1,917,733	\$3.69	0.9%	7,545,449	\$27,765,194	\$3.68	1.2%	\$3.68	\$3.67
Mar-20	629,429	\$2,304,514	\$3.66	0.3%	7,489,943	\$27,568,772	\$3.68	1.4%	\$3.69	\$3.67
Apr-20	521,532	\$1,889,250	\$3.62	-2.0%	7,341,296	\$26,981,597	\$3.68	1.1%	\$3.69	\$3.67
May-20	497,716	\$1,835,121	\$3.69	-0.3%	7,170,763	\$26,345,703	\$3.67	0.9%	\$3.70	\$3.67
Jun-20	536,508	\$1,957,429	\$3.65	-0.4%	7,069,543	\$25,967,144	\$3.67	0.9%	\$3.70	\$3.68
Jul-20	516,015	\$1,928,822	\$3.74	3.2%	6,930,533	\$25,523,552	\$3.68	1.2%	\$3.70	\$3.68
Aug-20	503,470	\$1,875,270	\$3.72	2.5%	6,814,088	\$25,145,557	\$3.69	1.4%	\$3.71	\$3.68

1.4%	1.2%	0.6%
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Regressions

24 Months on Monthly	
1.000	0.869
0.000	0.492
0.280	0.012
8.560	22.000

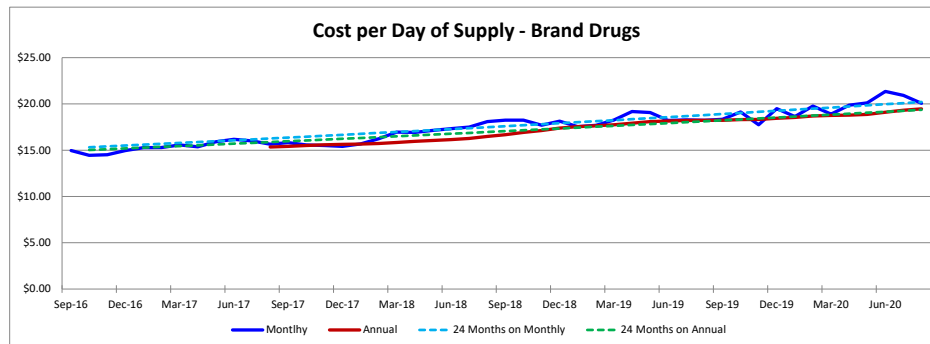
24 Months on Annual	
1.000	1.895
0.000	0.193
0.346	0.005
11.649	22.000

PHARMACY TREND DEVELOPMENT

Brand Drugs - Cost Trend

Incurred Date	Monthly Data				Rolling 12				Exponential Fit	
	Supply	AWP Cost	Cost/ Supply	Monthly Cost Trend	Supply	AWP Cost	Cost/ Supply	Rolling 12 Cost Trend	Monthly Data	Rolling 12 Data
Sep-16	92,499	\$1,384,757	\$14.97							
Oct-16	91,978	\$1,328,935	\$14.45						\$15.32	\$15.03
Nov-16	91,921	\$1,333,944	\$14.51						\$15.41	\$15.11
Dec-16	98,975	\$1,480,685	\$14.96						\$15.50	\$15.19
Jan-17	90,518	\$1,382,588	\$15.27						\$15.60	\$15.28
Feb-17	80,806	\$1,235,891	\$15.29						\$15.69	\$15.36
Mar-17	96,164	\$1,496,986	\$15.57						\$15.78	\$15.44
Apr-17	84,280	\$1,295,817	\$15.38						\$15.88	\$15.53
May-17	94,529	\$1,504,724	\$15.92						\$15.97	\$15.61
Jun-17	90,927	\$1,471,195	\$16.18		912,597	\$13,915,521			\$16.07	\$15.70
Jul-17	89,471	\$1,431,793	\$16.00		1,002,068	\$15,347,315			\$16.17	\$15.79
Aug-17	93,863	\$1,468,571	\$15.65		1,095,931	\$16,815,885	\$15.34		\$16.27	\$15.88
Sep-17	83,322	\$1,317,559	\$15.81	5.6%	1,086,754	\$16,748,687	\$15.41		\$16.37	\$15.97
Oct-17	97,862	\$1,523,556	\$15.57	7.8%	1,092,638	\$16,943,308	\$15.51		\$16.46	\$16.05
Nov-17	96,632	\$1,497,867	\$15.50	6.8%	1,097,349	\$17,107,231	\$15.59		\$16.57	\$16.14
Dec-17	101,694	\$1,568,190	\$15.42	3.1%	1,100,068	\$17,194,736	\$15.63		\$16.66	\$16.23
Jan-18	80,807	\$1,267,006	\$15.68	2.7%	1,090,357	\$17,079,154	\$15.66		\$16.77	\$16.32
Feb-18	75,958	\$1,233,761	\$16.24	6.2%	1,085,510	\$17,077,024	\$15.73		\$16.87	\$16.42
Mar-18	83,439	\$1,414,384	\$16.95	8.9%	1,072,785	\$16,994,422	\$15.84		\$16.96	\$16.50
Apr-18	82,078	\$1,388,947	\$16.92	10.1%	1,070,583	\$17,087,552	\$15.96		\$17.07	\$16.59
May-18	85,813	\$1,470,968	\$17.14	7.7%	1,061,867	\$17,053,796	\$16.06		\$17.17	\$16.68
Jun-18	82,257	\$1,425,672	\$17.33	7.1%	1,053,197	\$17,008,273	\$16.15		\$17.28	\$16.78
Jul-18	81,561	\$1,427,866	\$17.51	9.4%	1,045,287	\$17,004,345	\$16.27		\$17.38	\$16.87
Aug-18	91,998	\$1,663,947	\$18.09	15.6%	1,043,422	\$17,199,722	\$16.48	7.4%	\$17.49	\$16.96
Sep-18	85,585	\$1,561,942	\$18.25	15.4%	1,045,685	\$17,444,105	\$16.68	8.2%	\$17.59	\$17.06
Oct-18	93,782	\$1,711,011	\$18.24	17.2%	1,041,605	\$17,631,560	\$16.93	9.2%	\$17.70	\$17.15
Nov-18	92,970	\$1,646,112	\$17.71	14.2%	1,037,943	\$17,779,805	\$17.13	9.9%	\$17.81	\$17.25
Dec-18	98,094	\$1,778,987	\$18.14	17.6%	1,034,343	\$17,990,602	\$17.39	11.3%	\$17.91	\$17.34
Jan-19	80,913	\$1,419,633	\$17.55	11.9%	1,034,449	\$18,143,229	\$17.54	12.0%	\$18.02	\$17.44
Feb-19	75,799	\$1,340,798	\$17.69	8.9%	1,034,289	\$18,250,267	\$17.65	12.2%	\$18.13	\$17.54
Mar-19	78,692	\$1,437,153	\$18.26	7.7%	1,029,542	\$18,273,036	\$17.75	12.0%	\$18.24	\$17.63
Apr-19	79,032	\$1,516,184	\$19.18	13.4%	1,026,496	\$18,400,273	\$17.93	12.3%	\$18.35	\$17.73
May-19	82,726	\$1,577,699	\$19.07	11.3%	1,023,409	\$18,507,004	\$18.08	12.6%	\$18.46	\$17.82
Jun-19	77,609	\$1,413,666	\$18.22	5.1%	1,018,761	\$18,494,999	\$18.15	12.4%	\$18.57	\$17.92
Jul-19	79,689	\$1,456,408	\$18.28	4.4%	1,016,889	\$18,523,541	\$18.22	12.0%	\$18.68	\$18.02
Aug-19	79,866	\$1,456,140	\$18.23	0.8%	1,004,757	\$18,315,734	\$18.23	10.6%	\$18.80	\$18.12
Sep-19	79,809	\$1,463,560	\$18.34	0.5%	998,981	\$18,217,352	\$18.24	9.3%	\$18.91	\$18.23
Oct-19	84,943	\$1,625,750	\$19.14	4.9%	990,142	\$18,132,091	\$18.31	8.2%	\$19.02	\$18.33
Nov-19	81,907	\$1,454,188	\$17.75	0.3%	979,079	\$17,940,167	\$18.32	7.0%	\$19.14	\$18.43
Dec-19	90,551	\$1,764,575	\$19.49	7.5%	971,536	\$17,925,755	\$18.45	6.1%	\$19.26	\$18.53
Jan-20	70,627	\$1,316,006	\$18.63	6.2%	961,250	\$17,822,129	\$18.54	5.7%	\$19.37	\$18.63
Feb-20	69,914	\$1,382,320	\$19.77	11.8%	955,365	\$17,863,651	\$18.70	6.0%	\$19.49	\$18.74
Mar-20	93,607	\$1,768,673	\$18.89	3.5%	970,280	\$18,195,171	\$18.75	5.7%	\$19.61	\$18.84
Apr-20	68,402	\$1,358,252	\$19.86	3.5%	959,650	\$18,037,239	\$18.80	4.9%	\$19.73	\$18.94
May-20	70,466	\$1,417,547	\$20.12	5.5%	947,390	\$17,877,087	\$18.87	4.3%	\$19.84	\$19.05
Jun-20	70,206	\$1,498,992	\$21.35	17.2%	939,987	\$17,962,412	\$19.11	5.3%	\$19.97	\$19.15
Jul-20	68,743	\$1,438,577	\$20.93	14.5%	929,041	\$17,944,582	\$19.32	6.0%	\$20.09	\$19.26
Aug-20	72,008	\$1,444,524	\$20.06	10.0%	921,183	\$17,932,965	\$19.47	6.8%	\$20.21	\$19.37

6.8%	7.5%	6.9%
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Regressions

24 Months on Monthly	
1.000	0.003
0.000	1.427
0.626	0.034
36.783	22.000

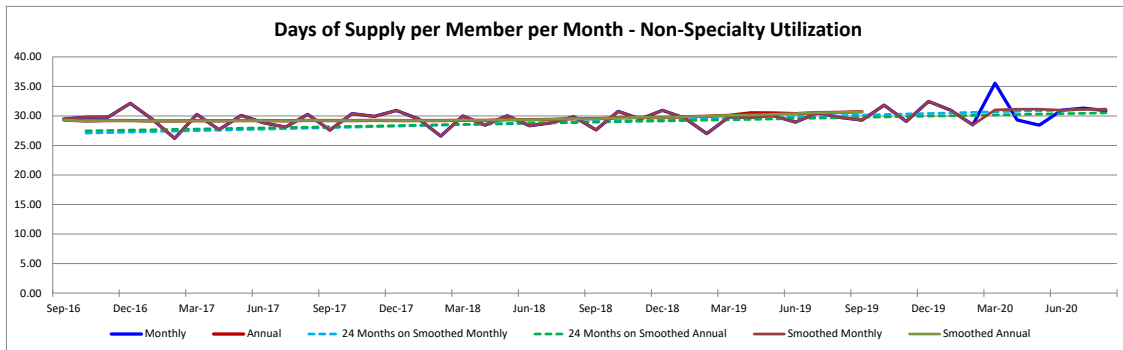
24 Months on Annual	
1.000	0.007
0.000	0.381
0.952	0.009
433.325	22.000

PHARMACY TREND DEVELOPMENT

Non-Specialty Drugs - Utilization Trend

Incurred Date	Monthly Data			Rolling 12			Smoothed				Exponential Fit	
	Membership	Supply	Supply per Member	Membership	Supply	Supply per Member	Smoothing Factor	Smoothed Monthly Supply	Smoothed Rolling Supply	Rolling 12 Utilization Trend	Monthly Data	Rolling 12 Data
Sep-16	35,267	1,039,535	29.48					29.48				
Oct-16	35,468	1,055,877	29.77					29.77			27.09	27.48
Nov-16	35,475	1,057,610	29.81					29.81			27.18	27.54
Dec-16	35,064	1,127,505	32.16					32.16			27.26	27.60
Jan-17	38,257	1,125,437	29.42					29.42			27.34	27.67
Feb-17	38,200	1,001,044	26.21					26.21			27.43	27.73
Mar-17	38,118	1,153,411	30.26					30.26			27.50	27.79
Apr-17	38,137	1,055,612	27.68					27.68			27.59	27.85
May-17	38,370	1,154,515	30.09					30.09			27.67	27.92
Jun-17	38,439	1,109,346	28.86					28.86			27.76	27.98
Jul-17	38,496	1,081,766	28.10					28.10			27.84	28.04
Aug-17	38,539	1,166,350	30.26					30.26			27.93	28.11
Sep-17	38,136	1,052,731	27.60	447,830	13,128,008	29.31		30.26	29.31		28.02	28.17
Oct-17	38,151	1,159,344	30.39	450,699	13,141,204	29.16		27.60	29.16		28.10	28.24
Nov-17	38,228	1,143,679	29.92	453,382	13,244,671	29.21		30.39	29.21		28.19	28.30
Dec-17	38,182	1,180,868	30.93	456,135	13,330,740	29.23		29.92	29.23		28.27	28.37
Jan-18	36,978	1,090,423	29.49	459,253	13,384,103	29.14		30.93	29.14		28.36	28.43
Feb-18	36,971	982,662	26.58	457,974	13,349,089	29.15		29.49	29.15		28.45	28.50
Mar-18	36,982	1,109,443	30.00	456,745	13,330,707	29.19		26.58	29.19		28.53	28.56
Apr-18	37,248	1,058,957	28.43	455,609	13,286,739	29.16		30.00	29.16		28.62	28.63
May-18	37,388	1,123,122	30.04	454,720	13,290,084	29.23		28.43	29.23		28.70	28.69
Jun-18	37,410	1,059,927	28.33	453,738	13,258,691	29.22		30.04	29.22		28.79	28.76
Jul-18	38,131	1,099,768	28.84	452,709	13,209,272	29.18		28.33	29.18		28.88	28.82
Aug-18	38,163	1,140,171	29.88	452,344	13,227,274	29.24		28.84	29.24		28.97	28.89
Sep-18	38,042	1,051,696	27.65	451,968	13,201,095	29.21		27.65	29.21	-0.4%	29.06	28.96
Oct-18	38,218	1,176,620	30.79	451,874	13,200,060	29.21		30.79	29.25	0.1%	29.15	29.02
Nov-18	38,553	1,136,370	29.48	451,941	13,217,336	29.25		29.48	29.21	-0.1%	29.24	29.09
Dec-18	38,504	1,191,317	30.94	452,266	13,210,027	29.21		30.94	29.21	0.2%	29.33	29.16
Jan-19	37,151	1,101,082	29.64	452,588	13,220,476	29.21		29.64	29.22	0.3%	29.42	29.22
Feb-19	37,152	1,003,568	27.01	452,761	13,231,135	29.22		27.01	29.22	0.2%	29.51	29.29
Mar-19	37,161	1,108,390	29.83	452,942	13,252,041	29.26		29.83	29.26	0.3%	29.59	29.35
Apr-19	36,932	1,099,861	29.78	453,121	13,250,988	29.24	0.3325	29.78	29.24	0.4%	29.69	29.42
May-19	36,891	1,108,118	30.04	452,805	13,291,892	29.35	0.3338	30.04	29.35	0.5%	29.77	29.49
Jun-19	36,736	1,063,918	28.96	452,308	13,276,888	29.35	0.3337	28.96	29.41	0.8%	29.87	29.56
Jul-19	36,287	1,107,578	30.52	451,634	13,280,879	29.41	0.3323	30.52	29.54	1.0%	29.96	29.62
Aug-19	36,071	1,073,400	29.76	449,790	13,288,689	29.54	0.3339	29.76	29.53	1.1%	30.05	29.69
Sep-19	35,934	1,052,678	29.29	447,698	13,221,918	29.53	0.3338	29.29	29.68	1.6%	30.14	29.76
Oct-19	35,821	1,140,080	31.83	445,590	13,222,900	29.68		31.83	29.75	1.7%	30.24	29.83
Nov-19	36,018	1,047,536	29.08	443,193	13,186,360	29.75		29.08	29.72	1.8%	30.33	29.90
Dec-19	35,968	1,167,911	32.47	440,658	13,097,526	29.72		32.47	29.84	2.2%	30.42	29.96
Jan-20	32,805	1,016,245	30.98	438,122	13,074,120	29.84		30.98	29.94	2.5%	30.52	30.03
Feb-20	32,589	928,163	28.48	433,776	12,989,283	29.94		28.48	30.09	2.8%	30.61	30.10
Mar-20	32,541	1,156,657	35.54	429,213	12,913,878	30.09		31.02	30.18	4.4%	30.70	30.17
Apr-20	32,350	948,531	29.32	424,593	12,962,145	30.53		31.14	30.29	3.9%	30.80	30.24
May-20	32,120	913,429	28.44	420,011	12,810,815	30.50		31.14	30.38	3.5%	30.89	30.31
Jun-20	32,015	991,450	30.97	415,240	12,616,126	30.38		30.96	30.55	3.9%	30.98	30.38
Jul-20	30,754	963,029	31.31	410,519	12,543,658	30.56		31.11	30.60	3.6%	31.08	30.45
Aug-20	30,569	944,286	30.89	404,986	12,399,109	30.62		31.10	30.71	4.0%	31.17	30.52

4.0% 3.7% 2.8%



Regressions

24 Months on Monthly	
1.000	0.376
0.000	1.640
0.245	0.039
7.135	22.000

24 Months on Annual	
1.000	1.121
0.000	0.189
0.932	0.004
301.223	22.000

PHARMACY TREND DEVELOPMENT - SPECIALTY TREND CALCULATION

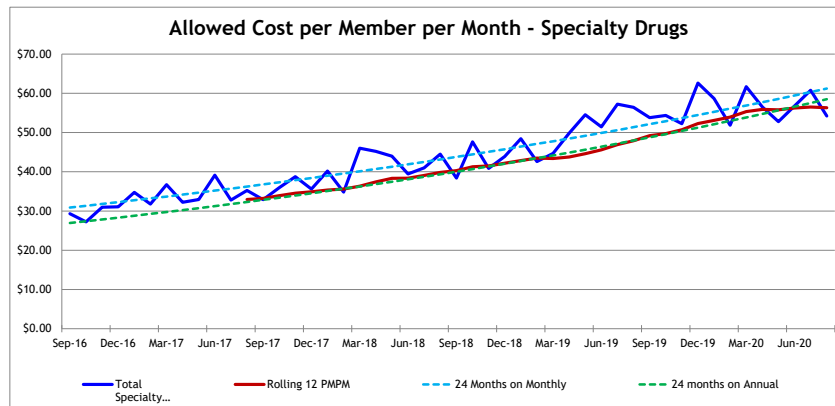
Incurred Date	Monthly Data			Rolling 12			Exponential Fit	
	Members	Contract Adjusted Allowed Charges	Total Specialty PMPM	Members	Contract Adjusted Allowed Charges	Rolling 12 PMPM	Monthly Data	Rolling 12 Data
Sep-16	35,267	\$1,034,473	\$29.33				\$30.88	\$26.95
Oct-16	35,468	\$966,145	\$27.24				\$31.33	\$27.39
Nov-16	35,475	\$1,098,940	\$30.98				\$31.80	\$27.85
Dec-16	35,064	\$1,089,960	\$31.08				\$32.26	\$28.31
Jan-17	38,257	\$1,329,804	\$34.76				\$32.74	\$28.79
Feb-17	38,200	\$1,213,470	\$31.77				\$33.23	\$29.28
Mar-17	38,118	\$1,400,098	\$36.73				\$33.68	\$29.73
Apr-17	38,137	\$1,228,632	\$32.22				\$34.18	\$30.23
May-17	38,370	\$1,263,542	\$32.93				\$34.68	\$30.73
Jun-17	38,439	\$1,504,725	\$39.15				\$35.19	\$31.25
Jul-17	38,496	\$1,262,433	\$32.79				\$35.70	\$31.76
Aug-17	38,539	\$1,358,892	\$35.26	447,830	\$14,751,115	\$32.94	\$36.24	\$32.30
Sep-17	38,136	\$1,254,949	\$32.91	450,699	\$14,971,591	\$33.22	\$36.78	\$32.84
Oct-17	38,151	\$1,371,631	\$35.95	453,382	\$15,377,077	\$33.92	\$37.31	\$33.38
Nov-17	38,228	\$1,481,305	\$38.75	456,135	\$15,759,442	\$34.55	\$37.87	\$33.95
Dec-17	38,182	\$1,358,582	\$35.58	459,253	\$16,028,063	\$34.90	\$38.41	\$34.50
Jan-18	36,978	\$1,486,020	\$40.19	457,974	\$16,184,279	\$35.34	\$38.99	\$35.09
Feb-18	36,971	\$1,287,809	\$34.83	456,745	\$16,258,618	\$35.60	\$39.57	\$35.68
Mar-18	36,982	\$1,701,655	\$46.01	455,609	\$16,560,174	\$36.35	\$40.10	\$36.23
Apr-18	37,248	\$1,684,056	\$45.21	454,720	\$17,015,598	\$37.42	\$40.70	\$36.84
May-18	37,388	\$1,643,866	\$43.97	453,738	\$17,395,923	\$38.34	\$41.29	\$37.45
Jun-18	37,410	\$1,476,286	\$39.46	452,709	\$17,367,483	\$38.36	\$41.91	\$38.08
Jul-18	38,131	\$1,563,464	\$41.00	452,344	\$17,668,514	\$39.06	\$42.51	\$38.71
Aug-18	38,163	\$1,698,661	\$44.51	451,968	\$18,008,284	\$39.84	\$43.15	\$39.36
Sep-18	38,042	\$1,460,477	\$38.39	451,874	\$18,213,812	\$40.31	\$43.79	\$40.03
Oct-18	38,218	\$1,820,313	\$47.63	451,941	\$18,662,494	\$41.29	\$44.43	\$40.69
Nov-18	38,553	\$1,575,780	\$40.87	452,266	\$18,756,969	\$41.47	\$45.09	\$41.38
Dec-18	38,504	\$1,690,009	\$43.89	452,588	\$19,088,396	\$42.18	\$45.74	\$42.05
Jan-19	37,151	\$1,798,855	\$48.42	452,761	\$19,401,231	\$42.85	\$46.43	\$42.77
Feb-19	37,152	\$1,583,463	\$42.62	452,942	\$19,696,885	\$43.49	\$47.12	\$43.49
Mar-19	37,161	\$1,660,349	\$44.68	453,121	\$19,655,579	\$43.38	\$47.76	\$44.16
Apr-19	36,932	\$1,840,668	\$49.84	452,805	\$19,812,191	\$43.75	\$48.47	\$44.90
May-19	36,891	\$2,011,798	\$54.53	452,308	\$20,180,123	\$44.62	\$49.17	\$45.64
Jun-19	36,736	\$1,890,680	\$51.47	451,634	\$20,594,518	\$45.60	\$49.90	\$46.41
Jul-19	36,287	\$2,076,656	\$57.23	449,790	\$21,107,709	\$46.93	\$50.63	\$47.17
Aug-19	36,071	\$2,035,721	\$56.44	447,698	\$21,444,769	\$47.90	\$51.38	\$47.97
Sep-19	35,934	\$1,933,307	\$53.80	445,590	\$21,917,599	\$49.19	\$52.15	\$48.79
Oct-19	35,821	\$1,947,460	\$54.37	443,193	\$22,044,746	\$49.74	\$52.90	\$49.59
Nov-19	36,018	\$1,882,040	\$52.25	440,658	\$22,351,006	\$50.72	\$53.69	\$50.43
Dec-19	35,968	\$2,252,081	\$62.61	438,122	\$22,913,078	\$52.30	\$54.47	\$51.25
Jan-20	32,805	\$1,925,141	\$58.68	433,776	\$23,039,364	\$53.11	\$55.28	\$52.12
Feb-20	32,589	\$1,690,627	\$51.88	429,213	\$23,146,528	\$53.93	\$56.11	\$53.01
Mar-20	32,541	\$2,007,557	\$61.69	424,593	\$23,493,736	\$55.33	\$56.89	\$53.85
Apr-20	32,350	\$1,828,651	\$56.53	420,011	\$23,481,720	\$55.91	\$57.74	\$54.76
May-20	32,120	\$1,694,978	\$52.77	415,240	\$23,164,900	\$55.79	\$58.58	\$55.66
Jun-20	32,015	\$1,818,289	\$56.79	410,519	\$23,092,509	\$56.25	\$59.45	\$56.60
Jul-20	30,754	\$1,868,907	\$60.77	404,986	\$22,884,760	\$56.51	\$60.31	\$57.53
Aug-20	30,569	\$1,657,882	\$54.23	399,484	\$22,506,921	\$56.34	\$61.21	\$58.50

Trend:

17.6%

19.1%

21.9%



24 Months on Monthly

1.000	0.000
0.000	3.523
0.615	0.083
35.201	22.000

24 Months on Rolling 12

1.001	0.000
0.000	0.714
0.980	0.017
1100.706	22.000

PHARMACY TREND DEVELOPMENT
SUMMARY

		Generic	New Generics	Brands Going Generic	Brand	Vaccines	Over the Counter	Compounds	Non-Specialty Total	Specialty	Total Pharmacy
Experience Period Member Months	m										429,213
Experience Period Days Supply	a	6,930,533	3,965,831	119,113	1,069,471	9,648	306,347	7,815	12,408,758	103,193	12,511,951
Experience Period Allowed Charge per Supply	b										
Experience Period Total Allowed Charges	c = a x b								\$25,465,635	\$22,884,760	\$48,350,396
Experience Period PMPM	d = c / m								\$59.33	\$53.32	\$112.65
Utilization Trend	e	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%		
Calculated Annual Trend	f	1.1%	1.1%	1.1%	7.1%	10.0%	-15.0%	0.0%		19.6%	
Impact on Cost of Brands going Generic	g										
Projected Generic/New Generic Mix	h										
Projected Generic Supply Adjustment	i = h / (Σ a _{generic})										
Projected Allowed Charge per Supply	j = b x ((1+f) ^{n(28/12)}) x g										
Projected Total Allowed Charges before Contract Changes	k = j x a x ((1+e) ^{n(28/12)}) x i										
Projection Period PMPM	l = k / m										
Annual Trend before Contract Changes	n = (l/d) ^{n(12/28)-1}		5.6%	-46.5%			10.5%			19.6%	
Reduction of Projected Claims due to Contract Changes	o										
Projected Total Allowed Charges after Contract Changes	p = o x k										
Projected PMPM after Contract Changes	q = p / m										
Impact of Contract Changes on Projected Pharmacy PMPM	r = q / l										
Effective Annual Trend	s = (q/d) ^{n(12/28)-1}								4.5%		11.0%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING

EXHIBIT 2G

TREND FACTORS for PRIOR EXPERIENCE PERIODS

Month	Medicare Primary		
	Medical	Pharmacy	Medical
March 2017	1.0000	1.0000	1.0000
April 2017	1.0004	0.8863	1.0023
May 2017	1.0009	0.9568	1.0047
June 2017	1.0010	1.0070	1.0070
July 2017	1.0014	0.9073	1.0094
August 2017	1.0056	0.9725	1.0117
September 2017	1.0061	0.9097	1.0141
October 2017	1.0065	1.0193	1.0165
November 2017	1.0166	1.0343	1.0188
December 2017	1.0171	1.0359	1.0212
January 2018	1.0175	0.9755	1.0236
February 2018	1.0202	0.8798	1.0260
March 2018	1.0174	1.0877	1.0284
April 2018	1.0182	1.0395	1.0308
May 2018	1.0188	1.0434	1.0332
June 2018	1.0194	0.9927	1.0356
July 2018	1.0200	0.9965	1.0380
August 2018	1.0245	1.0970	1.0405
September 2018	1.0244	0.9987	1.0429
October 2018	1.0251	1.1687	1.0453
November 2018	1.0345	1.0712	1.0478
December 2018	1.0351	1.1487	1.0502
January 2019	1.0357	1.1026	1.0531
February 2019	1.0427	1.0023	1.0559
March 2019	1.0432	1.0705	1.0588
April 2019	1.0439	1.1490	1.0617
May 2019	1.0449	1.2076	1.0646
June 2019	1.0456	1.1226	1.0675
July 2019	1.0496	1.2245	1.0704
August 2019	1.0505	1.2090	1.0733
September 2019	1.0513	1.1833	1.0763
October 2019	1.0613	1.2589	1.0792
November 2019	1.0619	1.1747	1.0821
December 2019	1.0626	1.3781	1.0851
January 2020	1.0762	1.2385	1.0889
February 2020	1.0769	1.1709	1.0927
March 2020	1.0793	1.4328	1.0965
April 2020	1.0799	1.2063	1.1004
May 2020	1.0806	1.1864	1.1042
June 2020	1.0813	1.2833	1.1081
July 2020	1.0868	1.3339	1.1120
August 2020	1.0875	1.2751	1.1159
September 2020	1.0882	1.2635	1.1198
October 2020	1.1067	1.2777	1.1237
November 2020	1.1074	1.2888	1.1277
December 2020	1.1074	1.3001	1.1316
January 2021	1.1274	1.3114	1.1356
February 2021	1.1275	1.3228	1.1396
March 2021	1.1275	1.3343	1.1436
April 2021	1.1276	1.3459	1.1476
May 2021	1.1316	1.3576	1.1516
June 2021	1.1324	1.3694	1.1556
July 2021	1.1380	1.3814	1.1597
August 2021	1.1387	1.3934	1.1638
September 2021	1.1395	1.4055	1.1678
October 2021	1.1567	1.4178	1.1719
November 2021	1.1575	1.4301	1.1760
December 2021	1.1582	1.4425	1.1802
January 2022	1.1734	1.4551	1.1843
February 2022	1.1742	1.4678	1.1885
March 2022	1.1750	1.4805	1.1926
April 2022	1.1757	1.4934	1.1968
May 2022	1.1765	1.5064	1.2010
June 2022	1.1773	1.5195	1.2052
July 2022	1.1832	1.5328	1.2094
August 2022	1.1840	1.5461	1.2137
September 2022	1.1848	1.5596	1.2179
October 2022	1.2028	1.5731	1.2222
November 2022	1.2036	1.5868	1.2265
December 2022	1.2044	1.6006	1.2308

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING
BENEFIT PLAN RELATIVE VALUE FACTORS

EXHIBIT 3B

Vermont Freedom Plan (VFP) and Comprehensive (COMP)

index	Product	In-Network Benefits							Out-of-Network Benefits			Relativity Factor
		Deductible	Coinsurance	Out-of-Pocket	Office Copay	Specialist Copay	ER ¹ Copay	AMB Copay	Deductible	Coinsurance	Out-of-Pocket	Active
1	VFP	\$200	20%	\$800	\$20	\$20			\$400	30%	\$1,600	0.9998
2	VFP	\$300	10%	\$1,300	\$10	\$30	\$100	\$50	\$600	30%	\$2,600	0.9834
3	VFP	\$500	20%	\$1,500	\$20	\$20			\$1,000	30%	\$3,000	0.9425
4	VFP	\$500	20%	\$1,500	\$20	\$40	\$250	\$250	\$1,000	30%	\$3,000	0.9419
5	VFP	\$500	20%	\$1,750	\$20	\$20			\$1,000	30%	\$3,500	0.9323
6	VFP	\$1,000	20%	\$2,300	\$20	\$20	\$100		\$2,000	30%	\$4,600	0.9023
7	VFP	\$1,000	0%	\$2,350	\$25	\$25	\$50	\$50	\$2,000	30%	\$3,500	0.9449
8	VFP	\$1,000	20%	\$3,500	\$25	\$40			\$2,000	30%	\$7,000	0.8438
9	VFP	\$1,000	0%	\$2,000	\$30	\$50	\$150		\$2,000	30%	\$4,000	0.9222
10	VFP	\$1,500	20%	\$3,000	\$25	\$45	\$250	\$250	\$3,000	30%	\$6,000	0.8543
11	VFP	\$2,000	30%	\$3,500	\$20	\$20	\$500		\$3,000	50%	\$6,000	0.8283
12	VFP	\$2,000	20%	\$4,000	\$40	\$40	\$150		\$4,000	30%	\$8,000	0.8130
13	VFP	\$2,500	20%	\$5,000	\$20	\$20			\$5,000	30%	\$10,000	0.7839
14	VFP	\$2,500	20%	\$5,150	\$20	\$40			\$5,000	30%	\$10,300	0.7625
15	VFP	\$2,500	20%	\$6,000	\$20	\$30			\$5,000	30%	\$12,000	0.7552
16	VFP	\$3,000	0%	\$3,000	\$30	\$40	\$200		\$6,000	30%	\$6,000	0.8416
17	VFP	\$3,000	0%	\$4,000	\$30	\$50	\$150		\$6,000	30%	\$8,000	0.8177
18	VFP	\$4,000	0%	\$5,000	\$30	\$50	\$150		\$8,000	30%	\$10,000	0.7820
19	VFP	\$4,000	20%	\$6,000	\$40	\$40	\$150		\$8,000	30%	\$12,000	0.7421
20	VFP	\$5,000	0%	\$5,000	\$25	\$25			\$10,000	30%	\$10,000	0.7390
21	COMP	\$2,000	10%	\$3,000								0.8044
22	COMP	\$3,000	0%	\$3,000								0.7769
23	COMP	\$5,000	0%	\$5,000								0.6879
24	COMP	\$6,550	0%	\$6,550								0.6397
25	COMP	\$6,850	0%	\$6,850								0.6316
26	COMP	\$7,350	0%	\$7,350								0.6190

1. **ER Copay:** the displayed member copay goes toward the facility allowed charges. Associated physician and ancillary charges are then covered at 100%.

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING
BENEFIT PLAN RELATIVE VALUE FACTORS

EXHIBIT 3C

Vermont Health Partnership (VHP) Medical Plans

index	Product	VHP In-Network Benefits							VHP Out-of-Network Benefits			Relativity Factor
		IP	OP	PCP	SCP	ER	AMB	OOPM	Deductible	Coinsurance	Out-of-Pocket	Active
1	VHP ¹	\$0	\$0	\$10	\$20	\$50	\$50	\$8,150	\$500	30%	\$14,700	0.9918
2	VHP ¹	\$250	\$100	\$15	\$25	\$50	\$50	\$8,150	\$500	30%	\$14,700	0.9782
3	VHP ¹	\$250	\$125	\$20	\$40	\$150	\$0	\$8,150	\$500	30%	\$14,700	0.9539
4	VHP ¹	\$250	\$250	\$20	\$20	\$200	\$100	\$8,150	\$1,000	30%	\$14,700	0.9683
5	VHP ¹	\$500	\$250	\$20	\$30	\$100	\$0	\$8,150	\$500	30%	\$14,700	0.9613
6	VHP ¹	\$750	\$750	\$20	\$30	\$50	\$50	\$8,150	\$500	30%	\$14,700	0.9499

PCP	Primary Care Physician Copay
SCP	Specialist Physician Copay
IP	Inpatient Care Deductible (max of 3/yr per family)
OP	Outpatient Surgery Copay
ER	Emergency Room Copay
AMB	Ambulance Copay
OOPM	Per ACA, all copays accumulate toward the Out of Pocket Maximum

1. All **VHP** Plans have a DME rider benefit of: \$100 deductible, 20% coinsurance, built into the relativity.
2. ER Copay: the displayed member copay goes toward the facility allowed charges.
Associated physician and ancillary charges are the covered at 100%.

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING
BENEFIT PLAN RELATIVE VALUE FACTORS

EXHIBIT 3D

Prescription Drug Cards

			Copay (\$) / Coinsurance (%)								Relativity
Index	Type	Deductible	Retail		Retail Non-		Mail Order		OOPM	Diabetic Supplies	Active
			Retail Generic	Preferred Brand	Preferred Brand	Mail Order Generic	Preferred Brand	Mail Order Non-Preferred Brand			
1	CM1	\$100	\$5	40%	60%	\$10	40%	60%	\$1,400	SAAO	0.1998
2	CM2	\$0	\$5	\$50	50%	\$10	\$100	50%	\$1,400	SAAO	0.2427
3	CM2	\$100	\$5	\$50	50%	\$10	\$100	50%	\$1,400	SAAO	0.2333
4	COI	\$1	30%	30%	40%	30%	30%	40%	\$1,400	SAAO	0.2033
5	COI	\$1	50%	50%	50%	50%	50%	50%	\$1,400	SAAO	0.1916
6	COP	\$0	\$10	\$20	\$40	\$20	\$40	\$80	\$1,400	SAAO	0.2733
7	COP	\$0	\$10	\$25	\$50	\$20	\$50	\$100	\$1,400	SAAO	0.2667
8	COP	\$0	\$10	\$30	\$50	\$20	\$60	\$100	\$1,400	SAAO	0.2608
9	COP	\$0	\$10	\$30	\$60	\$20	\$60	\$120	\$1,400	SAAO	0.2604
10	COP	\$0	\$10	\$35	\$60	\$20	\$70	\$120	\$1,400	SAAO	0.2546
11	COP	\$0	\$15	\$25	\$40	\$30	\$50	\$80	\$1,400	SAAO	0.2676
12	COP	\$0	\$15	\$30	\$45	\$30	\$60	\$90	\$1,400	SAAO	0.2613
13	COP	\$0	\$15	\$35	\$50	\$30	\$70	\$100	\$1,400	SAAO	0.2553
14	COP	\$0	\$20	\$40	\$60	\$40	\$80	\$120	\$1,400	SAAO	0.2509
15	COP	\$0	\$20	\$40	\$80	\$40	\$80	\$160	\$1,400	SAAO	0.2502
16	COP	\$0	\$25	\$50	\$75	\$50	\$100	\$150	\$1,400	SAAO	0.2418
17	COP	\$0	\$5	\$15	\$30	\$10	\$30	\$60	\$1,400	SAAO	0.2825
18	COP	\$0	\$5	\$30	\$50	\$10	\$60	\$100	\$1,400	SAAO	0.2631
19	COP	\$50	\$10	\$25	\$50	\$20	\$50	\$100	\$1,400	SAAO	0.2625
20	COP	\$50	\$5	\$10	\$25	\$10	\$20	\$50	\$1,400	SAAO	0.2836
21	COP	\$100	\$10	\$15	\$30	\$20	\$30	\$60	\$1,400	SAAO	0.2718
22	COP	\$100	\$10	\$25	\$45	\$20	\$50	\$90	\$1,400	SAAO	0.2588
23	COP	\$100	\$10	\$30	\$45	\$20	\$60	\$90	\$1,400	SAAO	0.2530
24	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,400	100%	0.2568
25	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,400	SAAO	0.2528
26	COP	\$100	\$10	\$40	\$60	\$20	\$80	\$120	\$1,400	SAAO	0.2412
27	COP	\$100	\$15	\$30	\$45	\$30	\$60	\$90	\$1,400	SAAO	0.2544
28	COP	\$100	\$15	\$40	\$60	\$30	\$80	\$120	\$1,400	SAAO	0.2426
29	COP	\$100	\$5	\$20	\$40	\$10	\$40	\$80	\$1,400	SAAO	0.2654
30	COP	\$150	\$20	\$80	\$100	\$40	\$160	\$200	\$1,400	SAAO	0.2187

* **Type:** COI = coinsurance; COP = copay; CM1 = combined (COP/COI/COI); CM2 = combined (COP/COP/COI)

* **Diabetic:** If "100%" then Diabetic medications and supplies are covered at 100% of allowed charges;

If "SAAO" then Diabetic medications and supplies are subject to cost sharing same as any other prescription drug.

BLUE CROSS AND BLUE SHIELD OF VERMONT
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BENEFIT PLAN RELATIVE VALUE FACTORS

EXHIBIT 3E

BCBSVT Indemnity Consumer Driven Health Plans (CDHPs)

index	Product	In-Network							Relativity Factor
		Deductible	Coinsurance	Out-of-Pocket	RX OOPM Limit ¹	Wellness Rx ²	Drugs After Deductible ³	Diabetic Supplies	Active
1	CDHP	\$1,500	0%	\$1,500	\$1,400	N/A	N/A	SAAO	1.1169
2	CDHP	\$1,500	20%	\$2,500	\$1,400	N/A	N/A	SAAO	1.0539
3	CDHP	\$2,000	0%	\$2,000	\$1,400	N/A	N/A	SAAO	1.0686
4	CDHP	\$2,000	20%	\$4,000	\$1,400	N/A	N/A	SAAO	0.9865
5	CDHP	\$2,500	0%	\$2,500	\$1,400	0%	N/A	SAAO	1.0426
6	CDHP	\$2,500	0%	\$2,500	\$1,400	N/A	N/A	SAAO	1.0287
7	CDHP	\$2,500	0%	\$3,500	\$1,400	0%	\$10/\$30/\$50	SAAO	1.0383
8	CDHP	\$2,500	10%	\$3,500	\$1,400	0%	N/A	SAAO	1.0066
9	CDHP	\$2,500	20%	\$3,500	\$1,400	N/A	N/A	SAAO	0.9814
10	CDHP	\$2,500	20%	\$5,000	\$1,400	0%	N/A	SAAO	0.9632
11	CDHP	\$2,600	20%	\$5,000	\$1,400	0%	N/A	SAAO	0.9596
12	CDHP	\$2,700	20%	\$5,000	\$1,400	0%	N/A	SAAO	0.9562
13	CDHP	\$3,000	0%	\$3,000	\$1,400	N/A	\$10/\$35/\$50	SAAO	0.9950
14	CDHP	\$3,000	0%	\$3,000	\$1,400	0%	N/A	SAAO	1.0103
15	CDHP	\$3,000	0%	\$3,000	\$1,400	N/A	N/A	SAAO	0.9950
16	CDHP	\$3,000	20%	\$5,000	\$1,400	0%	N/A	SAAO	0.9468
17	CDHP	\$3,500	0%	\$3,500	\$1,400	0%	N/A	SAAO	0.9823
18	CDHP	\$4,000	0%	\$4,000	\$1,400	0%	N/A	SAAO	0.9577
19	CDHP	\$4,000	20%	\$6,650	\$1,400	0%	N/A	SAAO	0.8946
20	CDHP	\$5,000	0%	\$5,000	\$1,400	0%	N/A	SAAO	0.9158
21	CDHP	\$5,000	0%	\$5,000	\$1,400	N/A	N/A	SAAO	0.8969
22	CDHP	\$6,000	0%	\$6,000	\$1,400	0%	N/A	SAAO	0.8814
23	CDHP	\$6,350	0%	\$6,350	\$1,400	0%	N/A	SAAO	0.8708
24	CDHP	\$6,450	0%	\$6,450	\$1,400	N/A	N/A	SAAO	0.8475
25	CDHP	\$6,550	0%	\$6,550	\$1,400	0%	N/A	SAAO	0.8650
26	CDHP	\$6,550	0%	\$6,550	\$1,400	N/A	N/A	SAAO	0.8445
27	CDHP	\$6,650	0%	\$6,650	\$1,400	0%	N/A	SAAO	0.8621
28	CDHP	\$6,650	0%	\$6,650	\$1,400	N/A	N/A	SAAO	0.8416
29	CDHP	\$6,850	0%	\$6,850	\$1,400	0%	N/A	SAAO	0.8566
30	CDHP	\$7,350	0%	\$7,350	\$1,400	0%	N/A	SAAO	0.8433

1. The **Rx OOPM** Limit is as described in Vermont Act 171.

2. **Wellness Rx**: if applicable, cost sharing rules apply *before* the deductible is satisfied.

The member's cost share for **Wellness Rx** accumulates toward the Out-of-Pocket Maximum.

3. **All other drugs** are subject to deductible. Once the deductible is met, drugs are subject to the **Drugs After Deductible** cost share until the Out-of-Pocket Maximum is met.

BLUE CROSS AND BLUE SHIELD OF VERMONT
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BENEFIT PLAN RELATIVE VALUE FACTORS

EXHIBIT 3F

Medicare Secondary Vermont Freedom Plan (VFP) and Indemnity J-Plan (JPLAN)

index	Product	In-Network Benefits							Out-of-Network Benefits			Relativity Factor
		Deductible	Coinsurance	Out-of-Pocket	Office Copay	Specialist Copay	ER ¹ Copay	AMB Copay	Deductible	Coinsurance	Out-of-Pocket	Medicare Secondary
1	JPLAN ²	\$100	20%	\$8,150	\$10	\$10						0.3640
2	JPLAN ²	\$100	20%	\$8,150	\$20	\$20						0.3537
3	VFP	\$0	0%	\$0	\$20	\$20	\$50		\$250	20%	\$1,000	0.3819
4	VFP	\$100	20%	\$500	\$10	\$10			\$200	30%	\$1,000	0.3338
5	VFP	\$1,000	0%	\$2,350	\$25	\$25	\$50	\$50	\$2,000	30%	\$3,500	0.2611
6	VFP	\$1,000	20%	\$3,500	\$25	\$40			\$2,000	30%	\$7,000	0.2253
7	VFP	\$500	20%	\$1,600	\$10	\$10			\$1,000	30%	\$3,000	0.2796

1. **ER Copay:** the displayed member copay goes toward the facility allowed charges. Associated physician and ancillary charges are then covered at 100%.

2. The J Plan deductible applies only to infusion therapy, DME and prosthetics ambulance.

BLUE CROSS AND BLUE SHIELD OF VERMONT
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BENEFIT PLAN RELATIVE VALUE FACTORS

EXHIBIT 3G

Medicare Secondary Prescription Drug Cards

Index	Type	Deductible	Copay (\$) / Coinsurance (%)						OOPM	Diabetic Supplies	Medicare Secondary
			Retail Generic	Retail Preferred Brand	Retail Non-Preferred Brand	Mail Order Generic	Mail Order Preferred Brand	Mail Order Non-Preferred Brand			
1	COP	\$0	\$10	\$20	\$40	\$20	\$40	\$80	\$1,400	SAAO	0.7872
2	COP	\$0	\$15	\$30	\$45	\$30	\$60	\$90	\$1,400	SAAO	0.7384
3	COP	\$0	\$5	\$30	\$50	\$10	\$60	\$100	\$1,400	SAAO	0.7658
4	COP	\$50	\$5	\$10	\$25	\$10	\$20	\$50	\$1,400	SAAO	0.8420
5	COP	\$100	\$10	\$30	\$45	\$20	\$60	\$90	\$1,400	SAAO	0.7293
6	COP	\$100	\$15	\$30	\$45	\$30	\$60	\$90	\$1,400	SAAO	0.7246

* **Type:** COI = coinsurance; COP = copay; CM1 = combined (COP/COP/COI)

* **Diabetic:** If "100%" then Diabetic medications and supplies are covered at 100% of allowed charges;

If "SAAO" then Diabetic medications and supplies are subject to cost sharing same as any other prescription drug.

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BENEFIT PLAN RELATIVE VALUE FACTORS

EXHIBIT 3H

Medicare Secondary Consumer Driven Health Plans (CDHPs)

index	Product	In-Network							Relativity Factor
		Deductible	Coinsurance	Out-of-Pocket	RX OOPM Limit ¹	Wellness Rx ²	Drugs After Deductible ³	Diabetic Supplies	Medicare Secondary
1	CDHP	\$2,500	0%	\$2,500	\$1,400	0%	N/A	SAAO	0.8784
2	CDHP	\$3,500	0%	\$3,500	\$1,400	0%	N/A	SAAO	0.8405
3	CDHP	\$5,000	0%	\$5,000	\$1,400	N/A	\$5/\$20/\$40	SAAO	0.6985

1. The **Rx OOPM** Limit is as described in Vermont Act 171.

2. **Wellness Rx**: if applicable, cost sharing rules apply *before* the deductible is satisfied.

The member's cost share for **Wellness Rx** accumulates toward the Out-of-Pocket Maximum.

3. **All other drugs** are subject to deductible. Once the deductible is met, drugs are subject to the **Drugs After Deductible** cost share until the Out-of-Pocket Maximum is met.

Vermont Freedom Plan (VFP) and Comprehensive (COMP)

index	Product	In-Network Benefits							Out-of-Network Benefits			Leverage Factor
		Deductible	Coinsurance	Out-of-Pocket	Office Copay	Specialist Copay	ER ¹ Copay	AMB Copay	Deductible	Coinsurance	Out-of-Pocket	
1	VFP	\$200	20%	\$800	\$20	\$20			\$400	30%	\$1,600	1.0026
2	VFP	\$300	10%	\$1,300	\$10	\$30	\$100	\$50	\$600	30%	\$2,600	1.0029
3	VFP	\$500	20%	\$1,500	\$20	\$20			\$1,000	30%	\$3,000	1.0038
4	VFP	\$1,000	20%	\$3,500	\$25	\$40			\$2,000	30%	\$7,000	1.0062
5	VFP	\$1,000	0%	\$2,000	\$30	\$50	\$150		\$2,000	30%	\$4,000	1.0043
6	VFP	\$1,500	20%	\$3,000	\$25	\$45	\$250	\$250	\$3,000	30%	\$6,000	1.0059
7	VFP	\$2,000	30%	\$3,500	\$20	\$20	\$500		\$3,000	50%	\$6,000	1.0065
8	VFP	\$3,000	0%	\$4,000	\$30	\$50	\$150		\$6,000	30%	\$8,000	1.0068
9	VFP	\$4,000	0%	\$5,000	\$30	\$50	\$150		\$8,000	30%	\$10,000	1.0078
10	VFP	\$5,000	0%	\$5,000	\$25	\$25			\$10,000	30%	\$10,000	1.0090
11	COMP	\$2,000	10%	\$3,000								1.0073
12	COMP	\$5,000	0%	\$5,000								1.0106

1. ER Copay: the displayed member copay goes toward the facility allowed charges. Associated physician and ancillary charges are the covered at 100%.

Vermont Health Partnership (VHP) Medical Plans

index	Product	VHP In-Network Benefits							VHP Out-of-Network Benefits			Leverage Factor
		Inpatient Care Deductible ²	Outpatient Surgery Copay	Office Copay	Specialist Copay	ER ³ Copay	AMB Copay	Out-of-Pocket	Deductible	Coinsurance	Out-of-Pocket	
1	VHP ¹	\$0	\$0	\$10	\$20	\$50	\$50	\$8,150	\$500	30%	\$14,700	1.0013
2	VHP ¹	\$250	\$100	\$15	\$25	\$50	\$50	\$8,150	\$500	30%	\$14,700	1.0016
3	VHP ¹	\$250	\$250	\$20	\$20	\$200	\$100	\$8,150	\$1,000	30%	\$14,700	1.0018
4	VHP ¹	\$750	\$750	\$20	\$30	\$50	\$50	\$8,150	\$500	30%	\$14,700	1.0022

1. All VHP Plans have a DME rider benefit of: \$100 deductible, 20% coinsurance, built into the relativity.

2. Maximum of 3/yr per family

3. ER Copay: the displayed member copay goes toward the facility allowed charges. Associated physician and ancillary charges are then covered at 100%.

BCBSVT Comprehensive Consumer Driven Health Plans (CDHPs)

index	Product	In-Network							Leverage Factor	
		Deductible	Coinsurance	Out-of-Pocket	RX OOPM Limit ¹	Wellness Rx ²	Drugs After Deductible ³	Diabetic Supplies	Medical	Rx
1	CDHP	\$1,500	0%	\$1,500	\$1,400	N/A	N/A	SAAO	1.0048	1.0062
2	CDHP	\$2,500	20%	\$5,000	\$1,400	0%	N/A	SAAO	1.0090	1.0043
3	CDHP	\$3,000	0%	\$3,000	\$1,400	N/A	N/A	SAAO	1.0076	1.0079
4	CDHP	\$5,000	0%	\$5,000	\$1,400	0%	N/A	SAAO	1.0104	1.0044
5	CDHP	\$6,000	0%	\$6,000	\$1,400	0%	N/A	SAAO	1.0115	1.0046
6	CDHP	\$6,850	0%	\$6,850	\$1,400	0%	N/A	SAAO	1.0122	1.0046

1. The **Rx OOPM** Limit is as described in Vermont Act 171.

2. **Wellness Rx**: if applicable, cost sharing rules apply *before* the deductible is satisfied.

The member's cost share for Wellness Rx accumulates toward the Out-of-Pocket Maximum.

3. **All other drugs** are subject to deductible. Once the deductible is met, drugs are subject to the **Drugs After Deductible** cost share until the Out-of-Pocket Maximum is met.

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING
BENEFIT LEVERAGE FACTORS

EXHIBIT 3J

Prescription Drug Cards

			Copay (\$) / Coinsurance (%)								Leverage Factor
Index	Type	Deductible	Retail Generic	Retail Preferred Brand	Retail Non-Preferred Brand	Mail Order Generic	Mail Order Preferred Brand	Mail Order Non-Preferred Brand	OOPM	Diabetic Supplies	
1	CM1	\$100	\$5	40%	60%	\$10	40%	60%	\$1,400	SAAO	1.0075
2	CM2	\$0	\$5	\$50	50%	\$10	\$100	50%	\$1,400	SAAO	1.0050
3	CM2	\$100	\$5	\$50	50%	\$10	\$100	50%	\$1,400	SAAO	1.0063
4	COI	\$1	30%	30%	40%	30%	30%	40%	\$1,400	SAAO	1.0070
5	COI	\$1	50%	50%	50%	50%	50%	50%	\$1,400	SAAO	1.0088
6	COP	\$0	\$10	\$20	\$40	\$20	\$40	\$80	\$1,400	SAAO	1.0045
7	COP	\$0	\$10	\$25	\$50	\$20	\$50	\$100	\$1,400	SAAO	1.0048
8	COP	\$0	\$10	\$30	\$50	\$20	\$60	\$100	\$1,400	SAAO	1.0050
9	COP	\$0	\$10	\$30	\$60	\$20	\$60	\$120	\$1,400	SAAO	1.0050
10	COP	\$0	\$10	\$35	\$60	\$20	\$70	\$120	\$1,400	SAAO	1.0052
11	COP	\$0	\$15	\$25	\$40	\$30	\$50	\$80	\$1,400	SAAO	1.0052
12	COP	\$0	\$15	\$30	\$45	\$30	\$60	\$90	\$1,400	SAAO	1.0054
13	COP	\$0	\$15	\$35	\$50	\$30	\$70	\$100	\$1,400	SAAO	1.0057
14	COP	\$0	\$20	\$40	\$60	\$40	\$80	\$120	\$1,400	SAAO	1.0062
15	COP	\$0	\$20	\$40	\$80	\$40	\$80	\$160	\$1,400	SAAO	1.0063
16	COP	\$0	\$25	\$50	\$75	\$50	\$100	\$150	\$1,400	SAAO	1.0068
17	COP	\$0	\$5	\$15	\$30	\$10	\$30	\$60	\$1,400	SAAO	1.0034
18	COP	\$0	\$5	\$30	\$50	\$10	\$60	\$100	\$1,400	SAAO	1.0041
19	COP	\$50	\$10	\$25	\$50	\$20	\$50	\$100	\$1,400	SAAO	1.0053
20	COP	\$50	\$5	\$10	\$25	\$10	\$20	\$50	\$1,400	SAAO	1.0039
21	COP	\$100	\$10	\$15	\$30	\$20	\$30	\$60	\$1,400	SAAO	1.0052
22	COP	\$100	\$10	\$25	\$45	\$20	\$50	\$90	\$1,400	SAAO	1.0058
23	COP	\$100	\$10	\$30	\$45	\$20	\$60	\$90	\$1,400	SAAO	1.0059
24	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,400	100%	1.0055
25	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,400	SAAO	1.0060
26	COP	\$100	\$10	\$40	\$60	\$20	\$80	\$120	\$1,400	SAAO	1.0064
27	COP	\$100	\$15	\$30	\$45	\$30	\$60	\$90	\$1,400	SAAO	1.0063
28	COP	\$100	\$15	\$40	\$60	\$30	\$80	\$120	\$1,400	SAAO	1.0067
29	COP	\$100	\$5	\$20	\$40	\$10	\$40	\$80	\$1,400	SAAO	1.0050
30	COP	\$150	\$20	\$80	\$100	\$40	\$160	\$200	\$1,400	SAAO	1.0083

* **Type:** COI = coinsurance; COP = copay; CM1 = combined (COP/COI/COI); CM2 = combined (COP/COP/COI)

* **Diabetic:** If "100%" then Diabetic medications and supplies are covered at 100% of allowed charges;

If "SAAO" then Diabetic medications and supplies are subject to cost sharing same as any other prescription drug.

Tier Factors for Benefits with Separate Medical and Pharmacy Deductibles

Out-of-Pocket Range Type		2-Tier		3-Tier			4-Tier			
		Single	Family	Single	2-Person	Family	Subscriber & Spouse	Subscriber & Children	Family	
NA/Stacked	2x Family	1.000	2.376	1.000	2.000	2.822	1.000	2.000	1.746	2.911
NA/Stacked	2.5x Family	1.000	2.370	1.000	2.000	2.811	1.000	2.000	1.744	2.900
NA/Stacked	3x Family	1.000	2.369	1.000	2.000	2.808	1.000	2.000	1.744	2.896
\$0 - \$3,499	Hybrid	1.000	2.292	1.000	1.817	2.742	1.000	1.909	1.673	2.831
\$3,500 - \$4,999	Hybrid	1.000	2.203	1.000	1.747	2.636	1.000	1.837	1.595	2.724
\$5,000 - \$9,150	Hybrid	1.000	2.211	1.000	1.761	2.637	1.000	1.853	1.595	2.726

Tier Factors for Benefits with Integrated Medical and Pharmacy Deductibles

Out-of-Pocket Range Type		2-Tier		3-Tier			4-Tier			
		Single	Family	Single	2-Person	Family	Subscriber & Spouse	Subscriber & Children	Family	
NA/Stacked	2x Family	1.000	2.376	1.000	2.000	2.822	1.000	2.000	1.746	2.911
NA/Stacked	2.5x Family	1.000	2.370	1.000	2.000	2.811	1.000	2.000	1.744	2.900
NA/Stacked	3x Family	1.000	2.369	1.000	2.000	2.808	1.000	2.000	1.744	2.896
\$0 - \$3,499	Aggregate	1.000	2.269	1.000	1.776	2.737	1.000	1.872	1.617	2.831
\$3,500 - \$4,999	Aggregate	1.000	2.189	1.000	1.715	2.639	1.000	1.810	1.549	2.732
\$5,000 - \$9,150	Aggregate	1.000	2.118	1.000	1.662	2.551	1.000	1.754	1.496	2.642
\$0 - \$3,499	Hybrid	1.000	2.269	1.000	1.776	2.737	1.000	1.872	1.617	2.831
\$3,500 - \$4,999	Hybrid	1.000	2.195	1.000	1.722	2.643	1.000	1.817	1.555	2.735
\$5,000 - \$9,150	Hybrid	1.000	2.217	1.000	1.772	2.639	1.000	1.868	1.584	2.730

Example of Manual Rate Adjustment

Manual Rate	\$631.02
Average Age/Gender Factor	1.000
Average Industry Factor	1.000
Projection Period	1/1/2022
Trend Factor	8.60%

Group Information	Active	Medicare Primary
Age/Gender Factor	0.940	1.030
Industry Factor	0.965	1.000
Projection Period	1/1/2022	

Contract Conversion	Contract Distribution	Members	Tier Factor	"Contract Tiers"
Single	25	25	1	25
Two-Person	25	50	2.000	50
Family	50	197	2.822	141.09
	100	272		216.09

		Active	Medicare Primary
Manual Rate	A	\$631.02	\$497.79
Adjustment for Age/Gender	B = 0.94 / 1	0.9400	1.0300
Adjustment for Industry	C = 0.965 / 1	0.9650	1.0000
Contract Conversion Factor	D = 216.09 / 272	1.2587	1.0000
Adjusted Manual Rate	E = A x B x C x D	\$720.50	\$512.72

Industry Factors

2-Digit SIC Code	Industry Description	Normalized Factor
01	Agricultural Production - Crops	0.9546
02	Agricultural Production - Livestock And Animal Specialties	0.9616
07	Agricultural Services	0.9550
08	Forestry	0.9604
09	Fishing, Hunting And Trapping	1.0379
10	Metal Mining	1.0933
12	Coal Mining	1.1011
13	Oil And Gas Extraction	1.0065
14	Mining And Quarrying Of Nonmetallic Minerals, Except Fuels	1.0702
15	Building Cnstrctn - General Contractors & Operative Builders	0.9741
16	Heavy Cnstrctn, Except Building Construction - Contractors	0.9683
17	Construction - Special Trade Contractors	0.9695
20	Food And Kindred Products	0.9233
21	Tobacco Products	0.9868
22	Textile Mill Products	0.9394
23	Apparel, Finished Prdcts From Fabrics & Similar Materials	0.9516
24	Lumber And Wood Products, Except Furniture	0.9849
25	Furniture And Fixtures	0.9394
26	Paper And Allied Products	0.9493
27	Printing, Publishing And Allied Industries	0.9303
28	Chemicals And Allied Products	0.9780
29	Petroleum Refining And Related Industries	0.9789
30	Rubber And Miscellaneous Plastic Products	0.9354
31	Leather And Leather Products	0.9649
32	Stone, Clay, Glass, And Concrete Products	0.9721
33	Primary Metal Industries	0.9578
34	Fabricated Metal Prdcts, Except Machinery & Transport Eqpmnt	0.9383
35	Industrial And Commercial Machinery And Computer Equipment	0.9354
36	Electronic, Elctrcl Eqpmnt & Cmpnts, Excpt Computer Eqpmnt	0.9211
37	Transportation Equipment	0.9671
38	Mesr/Anlyz/Cntrl Instrmnts; Photo/Med/Opt Gds; Watches/Clocks	0.9196
39	Miscellaneous Manufacturing Industries	0.9337
40	Railroad Transportation	0.9789
41	Local, Suburban Transit & Interurbn Hgwy Passenger Transport	1.0199
42	Motor Freight Transportation	1.0206
43	United States Postal Service	0.9473
44	Water Transportation	0.9986
45	Transportation By Air	0.9453
46	Pipelines, Except Natural Gas	0.9631
47	Transportation Services	0.9275
48	Communications	0.9033
49	Electric, Gas And Sanitary Services	0.9710
50	Wholesale Trade - Durable Goods	0.9498
51	Wholesale Trade - Nondurable Goods	0.9397
52	Building Matrials, Hrdwr, Garden Supply & Mobile Home Dealsr	0.9386
53	General Merchandise Stores	0.9381
54	Food Stores	0.9405
55	Automotive Dealers And Gasoline Service Stations	1.0124
56	Apparel And Accessory Stores	0.9394
57	Home Furniture, Furnishings And Equipment Stores	0.9315
58	Eating And Drinking Places	1.0637
59	Miscellaneous Retail	0.9699
60	Depository Institutions	0.9236
61	Nondepository Credit Institutions	0.8938
62	Security & Commodity Brokers, Dealers, Exchanges & Services	0.9240
63	Insurance Carriers	0.9473
64	Insurance Agents, Brokers And Service	0.9473
65	Real Estate	0.9710
67	Holding And Other Investment Offices	0.9236
70	Hotels, Rooming Houses, Camps, And Other Lodging Places	1.0128
72	Personal Services	0.9932
73	Business Services	0.9369
75	Automotive Repair, Services And Parking	0.9848
76	Miscellaneous Repair Services	0.9499
78	Motion Pictures	0.9625
79	Amusement And Recreation Services	1.0339

Industry Factors

2-Digit SIC Code	Industry Description	Normalized Factor
80	Health Services	1.0894
81	Legal Services	0.9828
82	Educational Services	0.9404
83	Social Services	1.0894
84	Museums, Art Galleries And Botanical And Zoological Gardens	0.9473
86	Membership Organizations	0.9952
87	Engineering, Accounting, Research, Management & Related Svcs	0.8991
88	Private Households	0.9473
89	Services, Not Elsewhere Classified	0.9512
91	Executive, Legislative & General Government, Except Finance	1.0894
92	Justice, Public Order And Safety	1.0894
93	Public Finance, Taxation And Monetary Policy	1.0041
94	Administration Of Human Resource Programs	1.0104
95	Administration Of Environmental Quality And Housing Programs	1.0025
96	Administration Of Economic Programs	1.0041
97	National Security And International Affairs	1.0350
99	Nonclassifiable Establishments	0.9473

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING
ADMINISTRATIVE CHARGES DEVELOPMENT

EXHIBIT 5A

Administrative Charges PUPM

Unit		Account	Member	Contract	Invoice Counts	Medical Claim	Projected Claims	Large Group Subtotal	CP Medsup
Administrative Expenses	A	\$1,332,870	\$1,186,084	\$331,763	\$3,832	\$421,877	\$1,533,710	\$4,810,135	
Unit Months	B	505	90,520	\$1,021	661	76,324	44,273,199		
Expense PUPM	C = A / B	\$2,639.35	\$13.10	\$6.50	\$5.80	\$5.53	3.46%		\$39.47
Increase for Membership	D	4.4%	4.4%	4.4%	4.4%	4.4%			4.4%
Updated Expense PUPM	E = (1+D) x C	\$2,754.81	\$13.68	\$6.79	\$6.05	\$5.77	3.46%		\$41.19
Annual Trend 2021	F	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%
Monthly Trend Factor	G = (1+F)^(1/12)	1.0000	1.0000	1.0000	1.0000	1.0000			1.0000
Months of Trend to First Effective Period in 2021	H	12	12	12	12	12			12
Annual Trend 2022	I	2.2%	2.2%	2.2%	2.2%	2.2%			2.2%
Monthly Trend Factor	J = (1+I)^(1/12)	1.0018	1.0018	1.0018	1.0018	1.0018			1.0018
Months of Trend to First Effective Period in 2022	K	7	7	7	7	7			7

Projection Periods Effective Date		Account	Member	Contract	Invoice Counts	Medical Claim	Projected Claims	CP Medsup
Jul-21	L = E x G ^ (H) x J ^ (K)	\$2,789.73	\$13.85	\$6.87	\$6.13	\$5.84	3.46%	\$41.72
Aug-21	M = L x J	\$2,794.76	\$13.87	\$6.89	\$6.14	\$5.85	3.46%	\$41.79
Sep-21	N = M x J	\$2,799.79	\$13.90	\$6.90	\$6.15	\$5.86	3.46%	\$41.87
Oct-21		\$2,804.83	\$13.92	\$6.91	\$6.16	\$5.87	3.46%	\$41.94
Nov-21		\$2,809.89	\$13.95	\$6.92	\$6.17	\$5.88	3.46%	\$42.02
Dec-21		\$2,814.95	\$13.97	\$6.94	\$6.18	\$5.90	3.46%	\$42.09
Jan-22		\$2,820.02	\$14.00	\$6.95	\$6.19	\$5.91	3.46%	\$42.17
Feb-22		\$2,825.10	\$14.03	\$6.96	\$6.21	\$5.92	3.46%	\$42.24
Mar-22		\$2,830.18	\$14.05	\$6.97	\$6.22	\$5.93	3.46%	\$42.32
Apr-22		\$2,835.28	\$14.08	\$6.99	\$6.23	\$5.94	3.46%	\$42.40
May-22		\$2,840.39	\$14.10	\$7.00	\$6.24	\$5.95	3.46%	\$42.47
Jun-22		\$2,845.50	\$14.13	\$7.01	\$6.25	\$5.96	3.46%	\$42.55
Jul-22		\$2,850.63	\$14.15	\$7.02	\$6.26	\$5.97	3.46%	\$42.63
Aug-22		\$2,855.76	\$14.18	\$7.04	\$6.27	\$5.98	3.46%	\$42.70
Sep-22		\$2,860.91	\$14.20	\$7.05	\$6.28	\$5.99	3.46%	\$42.78
Oct-22		\$2,866.06	\$14.23	\$7.06	\$6.29	\$6.00	3.46%	\$42.86
Nov-22		\$2,871.22	\$14.25	\$7.07	\$6.31	\$6.01	3.46%	\$42.93
Dec-22		\$2,876.39	\$14.28	\$7.09	\$6.32	\$6.02	3.46%	\$43.01

MEMBER MONTHS FOR FULL CREDIBILITY BY POOLING POINT

Pooling Limit	Member Months
\$30,000	8,325
\$35,000	9,182
\$40,000	9,990
\$45,000	10,747
\$50,000	11,462
\$55,000	12,142
\$60,000	12,786
\$65,000	13,406
\$70,000	14,002
\$75,000	14,573
\$80,000	15,117
\$85,000	15,633
\$90,000	16,127
\$95,000	16,600
\$100,000	17,055
\$105,000	17,497
\$110,000	17,923
\$115,000	18,338
\$120,000	18,745
\$125,000	19,140
\$130,000	19,523
\$135,000	19,897
\$140,000	20,266
\$145,000	20,624
\$150,000	20,974
\$155,000	21,313
\$160,000	21,643
\$165,000	21,969
\$170,000	22,289
\$175,000	22,600
\$180,000	22,905
\$185,000	23,199
\$190,000	23,486
\$195,000	23,766
\$200,000	24,039
\$205,000	24,307
\$210,000	24,570
\$215,000	24,827
\$220,000	25,077
\$225,000	25,323
\$230,000	25,563
\$235,000	25,799
\$240,000	26,032
\$245,000	26,259
\$250,000	26,480
\$255,000	26,695
\$260,000	26,905
\$265,000	27,111
\$270,000	27,316
\$275,000	27,517
\$280,000	27,712
\$285,000	27,903
\$290,000	28,086
\$295,000	28,262
\$300,000	28,438

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING

EXHIBIT 6B

POOLING POINT by MEMBERSHIP

Membership (Current Month)	Pooling Limit
0 to 299	\$70,000
300 to 499	\$90,000
500 to 999	\$110,000
1,000 to 1,499	\$145,000
1,500 to 1,999	\$170,000
2,000 to 2,499	\$190,000
2,500 to 2,999	\$215,000
3,000 to 3,999	\$235,000
4,000 to 4,999	\$275,000
5,000 to 7,499	\$300,000
7,500 to 9,999	\$350,000
10,000+	\$400,000

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING

EXHIBIT 6D

COVID-19 DIAGNOSIS and PROCEDURE CODES

Diagnosis, Procedure, or Vaccine	Diagnosis or Procedure Code
Coronavirus Diagnosis Code	U07.1
Suspected COVID-19, Exposure to Infectious Disease	Z03.818
Suspected COVID-19, Exposure to Infectious Disease	Z20.828
Screening for Infectious Disease	Z11.59
COVID-19 Test	U0001
COVID-19 Test	U0002
COVID-19 Test	U0003
COVID-19 Test	U0004
COVID-19 Test	87635
Specimen Collection	G2023
Specimen Collection	G2024
COVID-19 Antibody Test	86328
COVID-19 Antibody Test	86769
Pfizer-BioNTech COVID-19 Vaccine	91300
Pfizer-BioNTech COVID-19 Vaccine	0001A
Pfizer-BioNTech COVID-19 Vaccine	0002A
Moderna, Inc. Moderna COVID-19 Vaccine	91301
Moderna, Inc. Moderna COVID-19 Vaccine	0011A
Moderna, Inc. Moderna COVID-19 Vaccine	0012A
AstraZeneca COVID-19 Vaccine	91302
AstraZeneca COVID-19 Vaccine	0021A
AstraZeneca COVID-19 Vaccine	0022A

BLUE CROSS AND BLUE SHIELD OF VERMONT
2022 ASSOCIATION HEALTH PLAN RATING PROGRAM FILING

EXHIBIT 6E

DEFERRED and RETURNING CARE MEDICAL EXPERIENCE ADJUSTMENT FACTORS

Month	Factor
January 2020	1.000
February 2020	1.000
March 2020	0.829
April 2020	0.542
May 2020	0.759
June 2020	1.007
July 2020	1.074
August 2020	1.047
September 2020	1.043
October 2020	1.054
November 2020	1.048
December 2020	1.042
January 2021	1.031
February 2021	1.021
March 2021	1.015
April 2021	1.010
May 2021	1.006
June 2021	1.004
July 2021	1.003
August 2021	1.002
September 2021	1.001
October 2021	1.000
November 2021	1.000
December 2021	1.000
January 2022	1.000
February 2022	1.000
March 2022	1.000
April 2022	1.000
May 2022	1.000
June 2022	1.000
July 2022	1.000
August 2022	1.000
September 2022	1.000
October 2022	1.000
November 2022	1.000
December 2022	1.000

March 31, 2021

Mr. Kevin Ruggeberg, FSA, MAAA
Vice President & Consulting Actuary
Consulting Actuary

**Subject: Your 3/30/2021 Questions re: Blue Cross and Blue Shield of Vermont
2022 AHP Rating Program Filing (SERFF Tracking #: BCVT-132760913)**

Dear Mr. Kevin Ruggeberg:

In response to your request dated March 30, 2021, here are [your questions](#) and our answers

- 1) [Provide a revised "Impact of Formula and Factor Changes" table and "Administrative Charges – Reasons for Required Increase" table as contained in the memorandum reflecting any corrections to the administrative charge, as applicable.](#)

While preparing our response to the March 16, 2021 questions on the BCBSVT/TVHP 3Q Large Group Rating Program Filings (SERFF# BCVT-132713612 & BCVT-132713919) we discovered an error in the allocations used to determine the experience for the large group administrative charges, which we use as a proxy for administrative expenses for AHPs. One cost center misstated an allocation applied to the account unit. Correcting it results in a reduction in the per-account charge and a slight increase in the charges for other units (as overhead dollars are now allocated less heavily to the account unit). Please see the attached file *2022 AHP Filing - Revised Exhibit 5A.xlsx* for the revised schedule of administrative expenses.

The table below shows the table from section 2.3 of the actuarial memorandum updated with the new administrative factors. As filed, the admin component increase was 14.6 percent and the total premium change was -0.3 percent.

Impact of Formula and Factor Changes				
Renewal and Filing Year	2021	2022	Component Increase	Premium Impact
Manual Claims (a)	\$102,052,473	\$102,338,374	0.3%	0.3%
Projected Rebates	(\$3,968,654)	(\$6,154,397)	55.1%	-2.0%
Pediatric Vision and Dental	\$0	\$363,283		0.3%
Admin	\$7,868,974	\$7,986,387	1.5%	0.1%
Reserve	\$1,651,664	\$1,630,665	-1.3%	0.0%
Mandates and Assessments	\$2,086,746	\$2,136,660	2.4%	0.0%
Additional Items (b)	\$419,729	\$409,998	-2.3%	0.0%
Total				-1.3%

The table below shows the table from section 6.3 of the actuarial memorandum updated with the new administrative factors. As filed, the total increase was 14.3 percent.

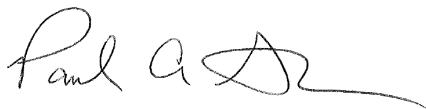
Administrative Charges – Reasons for Required Increase				
		Admin Charges PMPM	Change PMPM	Percent Change
1	Approved January 2021 admin from Q3 2020 filing	\$53.82		
2	Rebase experience and allocations	\$51.29	(\$2.52)	-4.7%
3	Net enterprise membership adjustment	\$53.54	\$2.24	4.4%
4	Additional year of trend	\$54.71	\$1.17	2.2%
	Total Increase		\$0.89	1.7%

2) *Please clarify if there is currently a Pathway 1 AHP in force, or if the members projected to be affected are for a new AHP to be formed in 2021.*

We confirm the projected members affected by this filing are currently enrolled in a Pathway 1 AHP.

Please let us know if you have any further questions, or if we can provide additional clarity on any of the items above.

Sincerely,



Paul A. Schultz, F.S.A., M.A.A.A.

April 21, 2021

Mr. Kevin Ruggeberg, FSA, MAAA
Vice President & Consulting Actuary
Consulting Actuary

**Subject: Your 3/30/2021 Questions re: Blue Cross and Blue Shield of Vermont
2022 AHP Rating Program Filing (SERFF Tracking #: BCVT-132760913)**

Dear Mr. Kevin Ruggeberg:

In response to your request dated April 12, 2021, here are [your questions](#) and our answers:

1. *The following questions relate to BCBSVT's risk-based capital (RBC) position, BCBSVT's requested contribution to reserve (CTR), and the statements made in Attachment A (Ruthe Greene Letter) supporting BCBSVT's CTR request in the present matter. These questions are based on the information that BCBSVT reported in its 2020 Annual Statement.*
 - a. *From 2019 to 2020, BCBSVT's "aggregate health policy reserves, including the liability of \$..... for medical loss ratio rebate per the Public Health Service Act" increased by \$31,171,463 (150.8%). Please describe the reason(s) for this increase.*

The primary driver of the change in aggregate health policy reserves in 2020 was a \$24.5 million increase in the liability for premium and administrative fee deficiency reserves (PDR). Statutory reporting guidance requires a PDR liability to be recorded for expected future losses when there are contracts in place where revenue is inadequate to cover projected costs during the contract period. The 2020 PDR liability relates to both insured and ASO business. The component of the PDR related to fully insured segments is driven by a combination of GMCB rate cuts below levels found to be actuarially reasonable, expected increased claims utilization in 2021 due to COVID-related treatment costs and delayed care from 2020, and membership losses that create an administrative cost gap. The ASO component is driven by administrative expenditures that on a PMPM basis exceed the fees that will be received under multi-year rate guarantees that were necessary to retain our largest ASO customers. Market conditions and competitive pressures prevented BCBSVT from increasing rates for those customers, and in fact drove the rates lower. Over time, management will take actions to grow membership, reduce expenses and be responsive to customer needs to bolster retention in order to reduce the future losses that are currently projected in the year-end 2020 PDR calculation.

- b. *From 2019 to 2020, BCBSVT's "general expenses due or incurred" increased by \$12,051,661 (29.9%). It appears that one driver was an increase of \$33,382,973 in BCBSVT's "accrued postretirement benefit obligation." Is it correct that this increase in the "accrued postretirement benefit obligation" impacted the numerator used in the RBC calculation in a way that reduces BCBSVT's RBC number?*

General expenses due or accrued that are reported on page 3, line 9 of the annual statement are unrelated to the accrued postretirement benefit obligation that is reported on line 23. The balance of

general expenses due or accrued fluctuates based on the timing of the accounts payable process and payment to various vendors, and it has no direct impact on the RBC calculation. The liability for accrued postretirement benefit obligation relates to the annual actuarial valuation of BCBSVT's employee retirement benefit programs, the most significant of which is a defined benefit pension plan. When this liability increases, it results in a corresponding reduction in policyholder reserves that decreases the RBC numerator and therefore reduces BCBSVT's RBC calculation.

A portion of the increase in the postretirement benefit liability in 2020 was due to the movement of certain assumptions for the year-end actuarial valuation of the pension plan, the most significant of which was a 62 basis point decline in the discount rate used to calculate pension liabilities. A lower discount rate, which is an actuarial factor that is determined based on statutory accounting guidance, results in a higher calculated liability.

The remainder of the increase in the postretirement benefit liability in 2020 was due to losses in asset value during the year. BCBSVT participates in the National Retirement Trust (NRT) administered by the National Employee Benefits Committee (NEBC) of the Blue Cross and Blue Shield Association (BCBSA). The NRT holds funds from separate pension benefit programs of several Blues organizations, and it invests assets according to investment policies adopted by the NEBC based on the recommendation of the Committee's investment advisors. As a participant in the NRT, BCBSVT is allowed to specify its pension asset allocation between generalized asset classes, but it is not able to choose specific investments or asset managers within the asset classes. The NRT experienced a substantial decline in value in February and March of 2020 due at least in part to the poor performance of assets invested in funds managed by Allianz Global Investors. These losses are distinct from the general market losses that occurred at the onset of the COVID-19 pandemic. The NEBC has filed a lawsuit against Allianz Global Investors U.S. LLC and Aon Investments USA Inc. seeking damages for participating plans, including BCBSVT. While BCBSVT hopes for a successful resolution of this litigation, the defendants strongly dispute any responsibility for the losses, and it is anticipated that the process could take several years. In the meantime, management is committed to steadily restoring the funded status of the pension plan to a level that ensures no restrictions or limitations on the benefit plan options offered to participants.

- c. *From 2019 to 2020, BCBSVT's "general administrative expenses" increased by \$7,831,114 (33.7%). Is it correct that one driver of this growth was an increase of \$9,630,603 (469.3%) in BCBSVT's "regulatory authority licenses or fees?" Please describe the source of the increase in the "regulatory authority licenses or fees" line item.*

The net increase in general administrative expenses in 2020 was driven by the increase in regulatory authority licenses and fees, which in turn was almost entirely driven by the "Annual Fee on Health Insurance Providers," also referred to as the "Health Insurer Tax" (HIT). The HIT fee was created as part of the Affordable Care Act (ACA), and it was intended to be assessed on an annual basis to all health insurers. However, in certain years Congress has suspended the HIT, including in 2019. Thus, consistent with all other health insurers in the U.S., BCBSVT was not assessed a HIT fee in 2019. In 2020, when Congress reinstated the HIT fee, BCBSVT was assessed a HIT fee of \$9,633,791, of which \$9,455,936 is included in the regulatory authority licenses and fees total of \$11,682,611 that is reported on page 14, line 23.3, column 3 of the annual statement (the remaining \$177,855 balance of the 2020 HIT fee was incurred by BCBSVT's HMO subsidiary, The Vermont Health Plan, LLC). As of now, the HIT fee has been repealed and will not be assessed after 2020.

- d. *From 2019 to 2020, BCBSVT reported a reduction of \$2,731,567 (46.3%) in “net investment gains.” Is it correct that this is not due to poor investment performance in 2020 but rather the fact that BCBSVT’s did not realize investment gains experienced in 2020? If so, please explain the reason(s) for not realizing investment gains in 2020 and how you incorporated this dynamic into your assessment of your need for additional reserves. If this is not true, please explain the drivers of the experienced reduction in reported “net investment gain.”*

Approximately \$2.2 million of the reduction in BCBSVT’s statutory basis net investment income from 2019 to 2020 was due to lower net “realized” capital gains in 2020. The recognition of realized gains is in accordance with statutory accounting and reporting guidance, but it has virtually no net impact on policyholder reserves.

Generally, realized capital gains are created when assets are sold at a price that is higher than what was originally paid for them; the difference between the amount received from the sale and the amount paid when purchased is recorded as a realized gain. The higher sale price typically reflects that the asset has appreciated in value since the time it was acquired. For equity securities, which comprise the vast majority of realized gains reported in BCBSVT investment income, the appreciation in value is recorded in policyholder reserves as it occurs based on stock market prices that are known each day. While an equity security is being held in the portfolio, the appreciation in value is recorded as an “unrealized” gain that directly increases policyholder reserves. The sale of the equity security turns the unrealized gain into a “realized” cash gain that is reported in the income statement; however, because the unrealized gain was previously recorded, the transaction to “realize” the gain has virtually no net impact on policyholder reserves (except to the extent that the sale price is slightly different from the most recently recorded unrealized amount). The amount of gains (or losses, in some instances) realized from the investment portfolio can fluctuate greatly from year to year based on operating cash needs and the related transfer of assets back and forth between cash and the investment portfolio.

2. *In last year’s Association Health Plan (AHP) filing (GMCBO-004-20rr), BCBSVT estimated that approximately 50% of its administrative costs were fixed. In its current filing, BCBSVT estimates that approximately 70% of administrative costs are fixed.*
- a. *Is the above-detailed increase in BCBSVT’s estimated percent of administrative costs that are fixed driven solely by enterprise-level enrollment changes? Are there other drivers of the estimated change in fixed versus variable administrative costs?*

The percentage of administrative costs that are fixed is immaterially impacted by enrollment changes. The difference from the previous filing in the estimated proportion of fixed administrative costs is the result of a new study performed by the actuarial department with input from the finance department. The study was conducted specifically in order to refine this assumption for filing, financial statement and market strategy purposes. The revised approximation of 30 percent variable cost is better aligned with historically observed changes associated with onboarding or offboarding jumbo group customers.

- b. *In its actuarial memorandum, BCBSVT notes a correlation between the enterprise total number of covered lives and the percent of administrative costs that are fixed versus variable. Please describe the extent of this correlation. For example, the correlation might be that, on average, a 1% decrease in covered lives is correlated with a 10% increase in the percentage of total administrative costs that are fixed. Also, what is the approximate lag between enrollment changes and BCBSVT's ability to "right size" its workforce?*

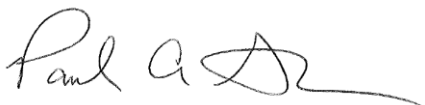
The actuarial memorandum notes a correlation between enterprise membership and the portion of fixed costs that are borne by a given block of business, not the overall proportion of fixed vs. variable costs. The proportion of variable cost is measured by assessing the increase in administrative costs required by an increase in membership. This proportion, about a 3 percent increase in administrative expense for every 10 percent increase in membership, is immaterially correlated with baseline enterprise membership.

The lag between enrollment changes and BCBSVT's ability to "right size" its workforce can vary greatly depending on a variety of factors, including but not limited to the magnitude of the enrollment change, enrollment projections for the following year, the status of the labor market and success in recruiting efforts, known retirements or other attrition within the existing workforce, and other efficiency and/or investment initiatives in progress that may impact the size of the workforce in either direction. BCBSVT manages the size of its workforce based on long term enrollment expectations and does not overreact to enrollment changes that are projected to be temporary or short-term. It is often not cost effective overall to contract the workforce when enrollment declines if it is expected that enrollment will rebound the following year; similarly, it may not be prudent to increase the workforce in response to enrollment gains if offsetting losses are projected to follow.

For material enrollment losses that are not projected to be replaced within 12 – 24 months, right sizing is a thoughtful and deliberate exercise that is accomplished through attrition and managing out low performers whenever possible. This process can take several months to complete.

Please let us know if you have any further questions, or if we can provide additional clarity on any of the items above.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul A. Schultz", with a stylized flourish at the end.

Paul A. Schultz, F.S.A., M.A.A.A.